October 2025

Bloomberg Businessweek

MrBeast Enters Mogul Mode

How the YouTube star is turning 430 million fans into an entertainment empire

THE SCREENTIME ISSUE

■ PARAMOUNT BOSS DAVID ELLISON IS JUST GETTING STARTED ■ THE AI TAKEOVER OF SOCIAL MEDIA ■ MS. RACHEL, THE CONTROVERSIAL QUEEN OF TODDLER TV ■ TALES OF WOE FROM THE NEW HOLLYWOOD

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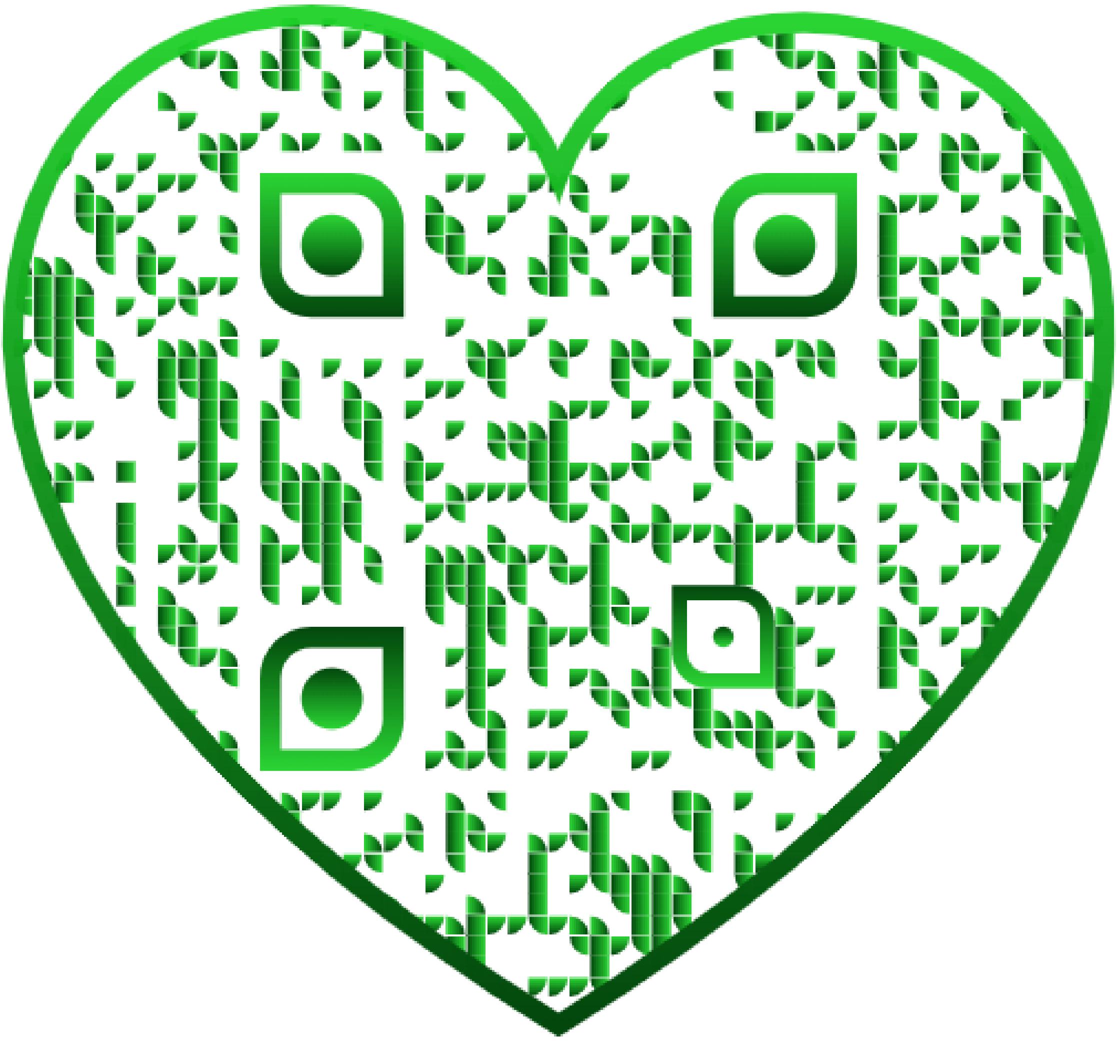

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YANNICK NÉZET-SÉGUIN
SONYA YONCHEVA

REACH FOR THE CROWN

SUPPORTING THE ARTS SINCE 1976

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THE BANK TO TRUST

■ PHOTOGRAPH BY AMY LOMBARD FOR BLOOMBERG BUSINESSWEEK

YouTube sensation Ms. Rachel—today’s answer to Mister Rogers—has more than 12 billion views on the platform ▷ 50

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● **Lucas Shaw**, managing editor for media and entertainment at Bloomberg News, and reporter **Hannah Miller** discovered that Paramount CEO David Ellison, inspired by his dad's Hawaiian isle, also started a clothing line. ▷42

● Los Angeles photographer **Stella Kalinina** says her images of Hollywood veterans hit hard by the industry slowdown felt even more meaningful after this year's wildfires and immigration raids, which also hurt Angelenos' livelihoods. ▷64

● Bloomberg's **Gabrielle Coppola** and **Albertina Torsoli** built on Torsoli's scoops on the fall of former Stellantis CEO Carlos Tavares to write what Coppola calls "an opus on European industrial dynasties and geopolitics." ▷80

Cover

Bloomberg Businessweek
Mogul Mode

Photograph by Sinna Nasseri for *Bloomberg Businessweek*; typography by Oelhan. Everywhere Nasseri took Jimmy Donaldson, aka Mr Beast, in New York City, crowds gathered. Everyone—all the kids and men, at least—recognized him.

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The AI Takeover of Social Media

■ ILLUSTRATION BY ROBERT BEATTY

● **By Brad Stone**

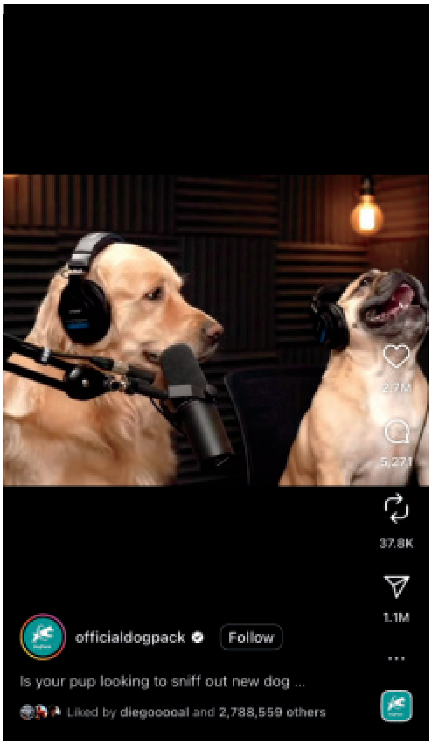
Unable to sleep one evening this summer, Andy Kosovskiy started tinkering with Google's recently released video creation tool, Veo 3. The result might have helped usher in a new age for social media—and perhaps for the entire business of entertainment.

Kosovskiy, a 22-year-old marketing professional from New York, wanted to test his skills while indulging his curiosity about new artificial intelligence tools that can turn a few sentences of instruction into realistic-looking short videos. Reflecting on the timeless appeal of cute, furry animals, as well as his generation's insatiable attraction to unscripted moments caught on camera, he entered a few prompts along the lines of: *Create a grainy nighttime security video of a pack of wild rabbits bouncing on a wooded backyard trampoline*. To spark discussion and tip the invisible hand of AI, he added: "bunnies are jumping and one disappears."

He posted the eight-second clip to TikTok late on July 26 under the profile "rachelthecatlovers." The caption read: "Just checked the home security cam and…I think we've got guest performers out back!" The internet did the rest. Over the next few weeks, it was viewed 237 million times (roughly double the live audience of the Super Bowl). Thousands of armchair sleuths took to the comments section to debate its authenticity and the improbable physics of how six bunnies suddenly became five. Kosovskiy watched it all with a sense that monumental change was coming for Hollywood. "This is just a starting point," he says. "I think of this like the Industrial Revolution. It's democratizing creation."

Bouncing bunnies, talking gorillas, babies being interviewed—if you've recently killed time on Instagram, TikTok, X or YouTube, you probably noticed that AI-generated clips have proliferated. Critics call it "AI slop," unimaginative dreck characterized by anthropomorphized animals and lame jokes. But that ignores the basics: The videos look pretty good, tend to get lots of views and shares, and cost creators next to nothing to produce. "You can't deny how amazing and enabling a technology this is," says Hany Farid, an electrical engineering and computer science professor at the University of California at Berkeley and founder of the deepfake detection company GetReal Security. "Think about what the average teenager has access to now. You don't need multimillion-dollar budgets, sets or actors. You just need your imagination." ▶

◀ All this has happened rather suddenly. Advances in machine-learning algorithms, processing power and large language models from Google, OpenAI and other companies have made it easier and faster to convert the odd inspiration into a video clip. Google released Veo 3 in May. It costs $6 to create an eight-second video and can now generate sound effects and convert a script into spoken dialogue, with characters' lips moving realistically as they're speaking. The improvements are stark: In 2023 an AI-generated video of actor Will Smith eating spaghetti—for some reason an important benchmark for AI progress—was glitchy and unrealistic. A similar video this year looks so good it will make you hungry.



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The Pawdcast

Creators are making use of these improvements. Jonathan Punski is the oldest of four brothers in Montreal who run a social networking company for pet owners called DogPack. This past July, inspired by the inexplicable trend of AI-generated social videos that feature a talking yeti, they started posting videos of dogs in a podcast studio trading quips about their owners and laughing. The humor is dad-joke cringe. (Labrador: "They always ask the obvious questions, like, 'Do you want a treat?' Do you think I'm sitting for fun?") But the brothers now have a few hundred thousand followers on TikTok and Instagram and are taking requests from owners of online-famous dogs such as Walter Geoffrey the French bulldog to add the likeness of their pets to the so-called Pawdcast. "People got bored of seeing nice cars, nice watches, people bragging on social media about how much money they make," says Punski, who adds that the videos are an inexpensive way to funnel new customers to the DogPack app. "They want to be entertained. And now you can get dogs to talk."

Many of these videos feel designed to hook a viewer and spread virally, such as the historically dubious AI re-creations of Pompeii before the volcanic eruption or visions of ancient Romans exploring the stars on spaceships. Much of it is silly and repetitive: videos of people leaping onto beds made of cheese or chocolate, or clips of the planets being spread like jam on toast.

Some creators admit their videos are meant to entice social media algorithms and earn money from Instagram, YouTube and TikTok, which pay for original videos that capture users' attention for more than a few seconds. "You gotta play with people's psychology," says Ali Sultan, a 27-year-old from Lahore, Pakistan, who's responsible for the food-bed mashups on TikTok. "It's clickbait."

Other AI creators are mischievously stomping on Hollywood's prized intellectual property. Kabir Rajdev, a 13-year-old from New York, began toying with AI in his spare time this summer and using Veo 3 to make videos starring the stormtroopers from *Star Wars*, who call each other "bro" and narrate their own misadventures. Kabir, who produced a few dozen videos, says he uses ChatGPT to write scripts and suggest hashtags, then gets Veo 3 to generate the clips; he edits them into longer videos and selects the best ones to upload. The videos all have thousands of views and rapturous comments ("way better than Disney"). His father, Rohit, says his son scored three sponsorships and earned about $1,500. They haven't received any hostile letters from Walt Disney Co.'s Lucasfilm (which didn't reply to a request for comment).

Once upon a time, Hollywood had a lock on making mainstream entertainment. Silicon Valley scion David Ellison wants to continue that tradition and recently combined his company, Skydance Media, with Paramount Global in an industry-shaking $8 billion merger (page 42). YouTubers such as Jimmy Donaldson, aka MrBeast, and children's content creator Ms. Rachel have started to loosen the studios' grip on our attention (pages 54 and 50). Still, some clever filmmakers are embracing AI; one company, backed by Amazon.com Inc., says it plans to use it to reconstruct the missing footage from *The Magnificent Ambersons*, lost when the studio took control of its editing from Orson Welles.

The social media companies also have a duty to patrol this new landscape. Although many AI videos are harmless fun, deepfakes are aimed at deceiving users—such as the clip last spring of Ukrainian President Volodymyr Zelenskiy seemingly instructing his troops to surrender. It's easy to imagine a wave of manipulative AI videos aimed at swaying elections, rigging sports betting markets and wreaking untold havoc and confusion on society.

Instagram, TikTok and other sites currently ask creators to voluntarily click a box labeling their videos as AI-generated. (Kosovskiy, maker of the trampoline bunnies, says he missed that option at first and only added it later.) The sites have a "bare minimum responsibility" to automatically identify and tag AI videos, as well as to investigate and banish users creating deepfakes, says Sahana Udupa, a professor of media anthropology at LMU Munich. "AI-generated videos can carry brazen lies and hate-filled vitriol as text- and image-based online discourses have been doing even before AI image generators became en vogue," she says.

Tech companies and their regulators in the US haven't seemed particularly interested in labeling or moderating content lately. What they really like is high user engagement and the advertising revenue it attracts. So we're probably just going to have to hold our collective breath, hope for the best and try to enjoy those bouncing bunnies. Ⓑ

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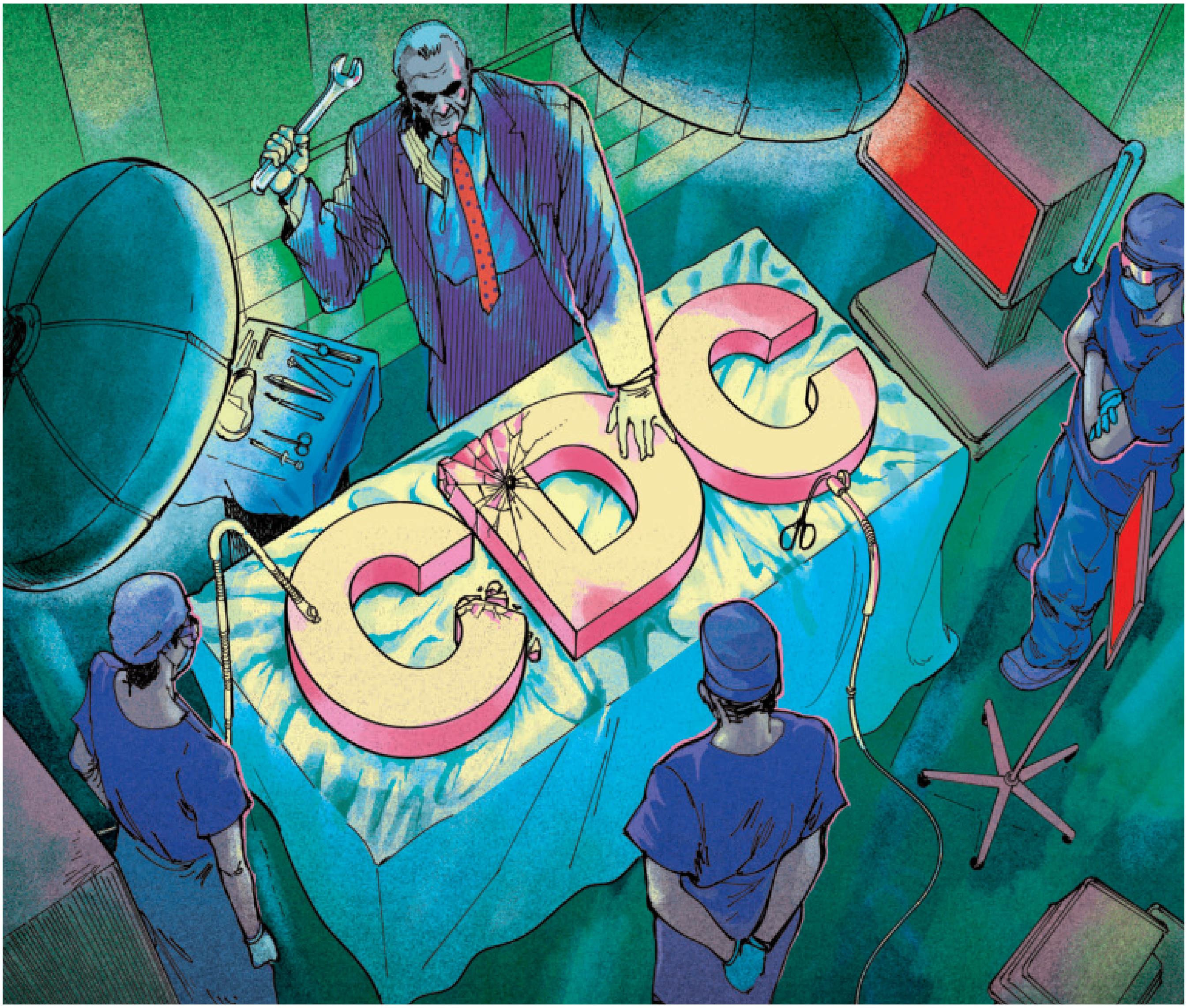
In Context

A new way to think about the world



Self-Inflicted Wounds

● **By Jessica Nix and Madison Muller**

It was early 2025, and a disease that had been declared eradicated in the US a quarter-century earlier was spreading rapidly among unvaccinated children in West Texas. As measles breached Gaines County's borders, local public-health leaders accustomed to getting support from the US Centers for Disease Control and Prevention had to look elsewhere: The CDC was on a "communications pause" that prohibited its workers from talking with any of its state and local partners or publishing data. Not that it might have mattered. The agency's weekly scientific journal had barely acknowledged the outbreak, and the nation's new health leader, Robert F. Kennedy Jr., was pushing unproven treatments such as vitamin A supplements and reframing vaccination as a "personal" choice.

The agency that generally coordinates communication between health departments and provides the national picture on infectious diseases was largely out of commission, so Katherine Wells, public-health director in nearby Lubbock County, says she had to tap her personal network of former colleagues ▶

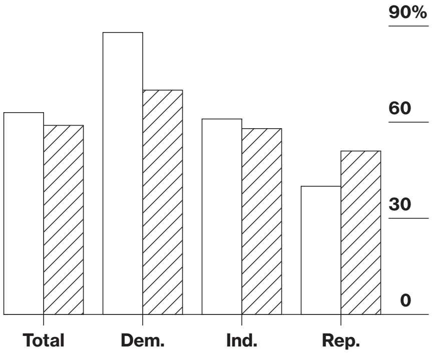
■ ILLUSTRATION BY VIKTOR HACHMANG

◀ and friends of friends with expertise in infectious diseases to help draft her county's outbreak plan. "It's hard when what you depend on or rely on isn't there anymore," she says.

Political Divide

Share of US adults who say they trust the CDC to provide reliable information about vaccines

☐ Sept. 2023 ▨ April 2025



Since it was established almost 80 years ago, the CDC has been considered the authority on public health. For generations, the world has turned to the agency for guidance during dangerous outbreaks, with its website frequently bookmarked by physicians looking for science-backed recommendations. But in the months since Kennedy took over the US Department of Health and Human Services, which oversees the CDC, the agency has been thrown into disarray. HHS laid off thousands of CDC employees in April, including people studying chronic disease—Kennedy's central issue—before bringing back some workers as a result of various lawsuits. In June, Kennedy fired all the members of an influential vaccine panel that makes recommendations and decides which immunizations will be covered by insurance or offered to low-income children for free, and he handpicked its new members, many of whom are critics of vaccinations. In August a gunman, frustrated by the Covid-19 vaccine, fired almost 500 rounds at the Atlanta-based agency, killing a local police officer. Later that month, President Donald Trump's new nominee for CDC director, Susan Monarez, was fired weeks into the job. The deputy secretary of HHS, Jim O'Neill, a Silicon Valley biotech investor, is filling the role on an interim basis. Meanwhile, state and local health departments, which get a bulk of their funding from the CDC, have sued to claw back money that HHS canceled earlier in the year.

In a very short time, "we've seen an incredible destruction of the agency that leaves people here and around the world at increasing risk," says Richard Besser, the former acting director of the agency. "These kinds of self-inflicted wounds are the worst kind, because it didn't have to be this way." Democratic senators, Kennedy's family members, past and current HHS employees and nine former CDC directors have called for Kennedy's resignation.

The secretary has staunchly defended his decisions, calling departures of top CDC officials "absolutely necessary adjustments" to restore the agency's credibility. Kennedy has championed his "Make America Healthy Again" mission to find the causes of chronic disease and accused the CDC of failing to do so. "That's why we have to fire people at CDC," he said at a Senate hearing in early September. "This was their job, to keep us healthy."

Kennedy certainly isn't the CDC's only critic. Just 59% of Americans trust the CDC to provide reliable information about vaccines, according to an April survey from the health research nonprofit KFF; among Republicans, it's even lower. Much of that skepticism boiled over during the pandemic. The CDC was supposed to be the country's first line of defense against Covid-19; instead, the pandemic brought to light long-standing issues at the agency that many agree fumbled its early response. It was faulted for an inadequate testing and surveillance program, for not collecting important data on how the virus was spreading and how vaccines were performing, and for repeated missteps in communicating to the public. Lawmakers on both sides of the aisle called for a major overhaul of the agency as insiders bemoaned a sluggish academic culture that lacked urgency. At the same time, the CDC's guidance on masking, school closures and social distancing became a flash point for an increasingly divided public.

"The CDC lost the trust of the American people after years of politicization throughout the pandemic," says Andrew Nixon, the director of communications for HHS. "The reforms underway are restoring the agency's focus on infectious disease and preparedness, putting gold-standard science back at the center of public health. These changes will rebuild credibility and ensure CDC delivers for the American people." Kennedy has been one of the CDC's loudest and most hyperbolic

CDC staff and supporters outside the agency's Atlanta headquarters in late August

COURAGE
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THANK YOU CDC
HANDS OFF CDC
THANK YOU D³
SAVE

■ DUSTIN CHAMBERS/BLOOMBERG ■ CDC TRUST FIGURES ARE THE SHARE OF RESPONDENTS REPORTING A GREAT DEAL OR A FAIR AMOUNT OF TRUST. DATA: KFF (CDC TRUST), STATISTICS KOREA (FERTILITY RATES)

antagonists in Washington. He previously likened the agency's vaccine policies to "Nazi death camps" and claimed vaccines cause autism, a connection that's been widely refuted.

To help quell post-pandemic tensions, Congress in 2023 passed legislation to make the CDC director a Senate-confirmed position, and in July 2025, Monarez became the first one confirmed. (Kennedy's first pick was pulled minutes before his confirmation hearing when it became clear he didn't have the votes.)

Scientists, public-health leaders, doctors and governors are now trying to install some safeguards that the CDC once provided. Professional medical groups are developing their own vaccine guidelines; Western states have formed an alliance to issue their own advisories as well. Still, "Congress isn't going to pay for lower-income children to get that vaccine if it's not recommended by the CDC," says Besser, the former acting director.

It will take some time to see where the cuts start to show up in daily life. But experts agree the piecemeal vaccine policy across states will have a direct impact whenever the next outbreak or pandemic happens.

"Ultimately what will happen is America will get sick," says Rochelle Walensky, who was CDC director for two years under President Joe Biden. She says she's particularly concerned about the upcoming cold and flu season, measles and seasonal bird migration patterns that could reignite the spread of avian flu. "I think this is just the beginning," she says. Kennedy, for one, has suggested he isn't done with his overhaul, noting he'll be hand-selecting more people for positions at the CDC.

In terms of measles, the CDC still maintains that the disease has been eliminated in the US. But this could change as soon as 2026 if continuous transmission of any single outbreak lasts for more than a year—something that's increasingly possible as more families forgo the vaccine.

"One of the biggest challenges of public health is that it's invisible when it's working," Besser says. "But it's highly visible when it isn't." Ⓑ

Corporate Perk: Cash for Babies

● **By Hyonhee Shin**

The cavernous auditorium at Booyoung Co.'s Seoul headquarters was packed with hundreds of employees listening to their founder deliver what's typically a solemn new year's address. But this time, Lee Joong-keun, the 84-year-old billionaire behind one of South Korea's biggest construction companies, dropped a bombshell: Booyoung would begin offering 100 million won ($72,000) for every baby born to an employee. And, he added in the February 2024 address, the offer applied retroactively to the past three years. The room went silent for a beat, as if everyone had misheard. Then came the applause.

"I was speechless," says Hong Ki, a 37-year-old communications manager who at the time had a 3-year-old daughter. "It was so absurd that I couldn't even sleep, wondering if it was for real." It was. So after Hong and his wife, who also works at Booyoung, processed the news, they did what many would do when offered a potentially life-altering pile of cash to expand their family: They had another child.

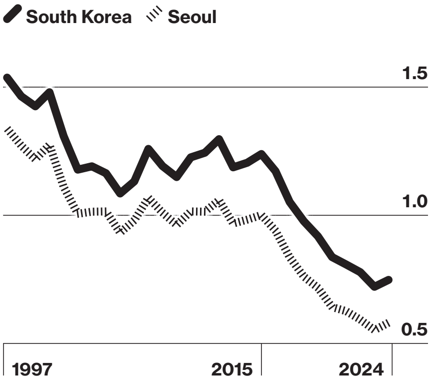
South Korea's fertility rate is just 0.75 births per woman, the lowest on Earth, with the population projected to shrink by almost a third by 2072 if today's pace continues. The implications are severe: a dwindling workforce, falling tax revenue, empty schools, an aging society with no one to care for the elderly and a military facing a recruitment crisis. The government has poured hundreds of billions of dollars into the problem, from its own cash stipends for babies to subsidized housing and tax credits, with limited success. Now companies, fearing a future with no workers (and keen to attract talent at the same time), have joined in the spending spree.

Booyoung was the first and the boldest, and it says the impact was immediate. The money, about twice South Korea's annual per capita income, helped to encourage 28 employees to have babies last year, about five more than is typical, which the company attributes to the policy change. The payouts have also helped evolve the corporate culture. In South Korea, long work hours and a competitive, paternalistic office culture have long discouraged parenthood. Now employees encourage one another to "get married, get the money and buy a house," Hong says.

Others have joined the payout parade with varying sums. Krafton Inc., a video game developer, has started to hand out $43,000 at birth and an additional $29,000 in installments until the child turns 8. Korea Aerospace Industries Ltd. offers about $7,000 each for a first and second child—and $22,000 for a third. The amounts may differ, but the reasoning is the same: Paying workers to have babies is cheaper in the long term than running a business in a country with no babies at all.

Falling Fertility Rates

Babies expected per woman in a lifetime



South Korea isn't the only country fretting over its demographics. Birth rates are falling among many of its Asian neighbors, as well as across advanced economies in Europe and in America. US President Donald Trump has said a $5,000 baby bonus would be a "good idea," and China, with a population of 1.4 billion, will start handing out 3,600 yuan ($500) yearly per child under the age of 3.

Korea's nascent corporate spending spree comes on top of a decades-long government push that's included expanded child care, longer parental leave, cheaper mortgages and even ▶

A rooftop play area at Krafton's day-care center in Seoul

◀ subsidies for residents seeking to reverse vasectomies. The government aims to raise the fertility rate to 1 by 2030. (A fertility rate of 2.1 is needed for a stable population.)

With companies and the government both tackling the problem, there are early signs of success. For the first time in almost a decade, the birth rate ticked up in 2024, and from January to May this year it rose almost 7% from the same period a year earlier. Marriages have also surged. "We're seeing it as a structural bounce back, not a temporary one," says Joo Hyung-hwan, who heads the Presidential Committee on Aging Society and Population Policy, a public-private panel that coordinates demographic measures.

Still, many remain skeptical. Critics say some of the rebound may be attributable to a backlog of marriages postponed during the Covid-19 pandemic. In the longer term, the country will need to make it attractive for young workers to relocate from the greater Seoul area, where costs for marriage and childbirth are higher, to less dense areas, where childrearing is easier. More cultural shifts are needed, too, like equal caregiving.

To support its growing parental workforce, Krafton, the video game maker, has added perks such as emergency babysitting services and protections against career penalties for taking time off. Now, at the company's in-house day care in Seoul, two dozen kids play while a staff of 15 teachers watches them in shifts until as late as 9:30 p.m., if work keeps parents late. Fathers now outnumber mothers at Krafton's day-care drop-off. For a nation where the norm is limited male involvement in children's lives, that counts as a win, says Kim Hyo-jin, a working mom at Krafton.

The pro-kid policies are also helping the company recruit and retain talent. A total of 58 workers have received the payments since they were rolled out earlier this year, and all of them are still with the company. "The quality of résumés we're getting from job applicants is improving, and they're coming also from our rivals," says Choi Jae-keun, head of general operations at Krafton.

At Booyoung, of the 100 or so employees who received the baby bonuses, not a single one has left. That includes Hong; his allegiance has only grown because of the payout. "You want to work hard and keep the company successful so that we all continue to enjoy the benefits," he says.

Stablecoins' Threat To Local Banks

● Emily Mason and Yizhu Wang

When money-market funds emerged in the 1970s as a higher-yield alternative to conventional savings accounts, Americans raced to their local banks in droves to pull their cash. Community and regional lenders that had long used those customer deposits to finance loans found their cheapest source of funding dried up almost overnight. Thousands of small banks—and the borrowers dependent ▶

■ PHOTOGRAPH BY TIM FRANCO FOR BLOOMBERG BUSINESSWEEK

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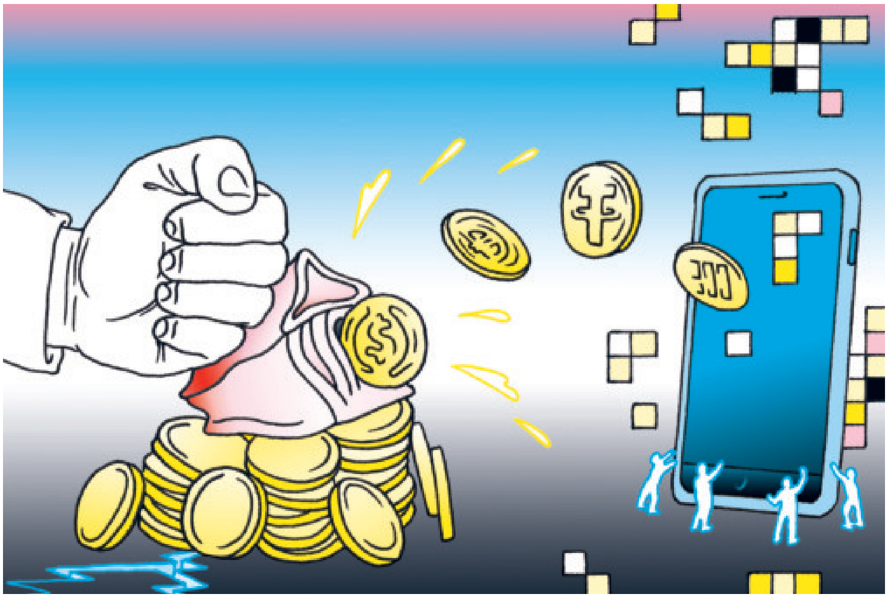
◀ on those local loans—were forced to rethink their business plans. Even today, banks are trillions of dollars leaner than they'd have been otherwise.

A half-century later, local and regional bankers are about to square off with another competitor eyeing those same critical deposits: stablecoins.



A type of digital currency typically issued by nonbanks but backed by Treasuries and other big-bank reserves, stablecoins aren't yet a mainstay in most people's lives, but Washington and Wall Street are quickly embracing them as the next big thing in finance. Unlike Bitcoin and other cryptocurrencies that fluctuate wildly in price (making them lucrative or risky to trade, depending on how you view it), stablecoins are, well, stable. They're designed to track the value one-for-one of traditional currencies, meaning a paper dollar in your physical wallet is worth the same as a stablecoin dollar in your digital wallet.

Their rise to relevance has been rapid: In July, President Donald Trump signed the Genius Act to create a regulatory framework for stablecoin issuers. In August, Wyoming became the first state to launch its own coin. Citigroup Inc. and JPMorgan Chase & Co. have begun sketching strategies; so have big retailers. The supply of top circulating dollar-pegged stablecoins has surged more than 50% over the past year, to nearly $250 billion in August, with Standard Chartered Plc estimating the market could reach $2 trillion within the next three years. There's a reason Goldman Sachs Group Inc. analysts dubbed this past season "the summer of stablecoins."

Many savers might balk at the notion of converting their bank accounts to crypto. For others all it would take is a sleek app custom-built for seamless payments and some improvement on long-staid banking models. If the technology goes mainstream, retailers will want to adopt stablecoins as payment options to avoid the transaction fees of credit cards, typically from about 1% to 3%. Consumers, particularly those sending money abroad, will like that stablecoins can move at the speed of the internet. Stablecoins have the potential to handle more than $50 trillion in payments annually by 2030, according to a Bloomberg Intelligence analysis. If this happens, they would make up as much as 25% of consumer payments, up from less than 1% today. Even though their use is still in the early stages, crypto evangelists envision a not-too-distant future in which companies pay salaries in stablecoins stored in a digital wallet, a potential alternative to depositing funds in a bank for safekeeping.

Small lenders can't tap wholesale markets the way Wall Street banks can, so every lost deposit is lost lending to a farm, factory or town. As stablecoins proliferate, "we will have to find a way to compete, to protect our customer," says Bill Bickle, chief credit and risk officer of Stockman Bank, a lender in Miles City, Montana, with $7 billion in assets. "If we're unable to do that, then—particularly in rural America, particularly with our farm and ranch customers—they will have less access to credit." The rise of stablecoins, until recently only a "theoretical" problem, has become a "very significant mainline competitor for bank funding" in just a few months, Bickle says.

For now, the more than $18 trillion of deposits in the US banking system is dwarfing the value of circulating stablecoins. And because stablecoins don't uniformly offer yield, cautious customers are unlikely to close their Main Street savings accounts just yet. But that's starting to change. Although the Genius Act prohibits stablecoin issuers from paying interest to compete with banks, some exchanges have blurred the line with so-called rewards programs. These aren't yields from the coins themselves but incentives paid by platforms such as Coinbase Global Inc., which offers 4.1% on balances of USDC, a stablecoin that Circle Internet Group Inc. has issued. Whether they're "rewards" or "interest," the effect is similar: Customers are getting returns far higher than the 0.39% average savings rate or the paltry 0.07% the average checking account earns.

These incentives raise the risk of deposits migrating out of community banks and into megabank-backed stablecoin reserves. The Treasury Borrowing Advisory Committee has warned that as much as $6.6 trillion worth of deposits available in accounts that can be withdrawn quickly could potentially be lured out of bank accounts as the stablecoin sector continues to grow. Most stablecoins are issued by Circle (USDC), Tether (USDT) or other nonbanks, which hold reserves at custodians such as Bank of New York Mellon Corp. This means the dollars rarely cycle back to local lenders.

Customers who do move money into stablecoins may not realize they're taking on additional risk. Because the reserves backing stablecoins sometimes sit in Federal Deposit ▶

■ ILLUSTRATION BY DAPHNÉ GEISLER

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◀ Insurance Corp.-insured banks, the tokens may appear as safe as deposits—but they aren’t. “The nonbank issuers themselves are not FDIC-insured, but they’ll figure out ways to make it appear that their activities are insured,” says Camden Fine, chief executive officer of advisory firm Calvert Advisors LLC and former president of the Independent Community Bankers of America. Issuers, though, will “deposit those funds in the megabanks, because they figure those banks are too big to fail,” he says.

All this recalls the rise of money-market funds some 50 years ago, which drained deposits from savings accounts into Treasury-backed vehicles. Since then, US money-market funds have grown to a record $7.4 trillion in assets. They repeatedly pull additional deposits away from banks whenever interest rates rise. In the most recent cycle of rate hikes, from March 2022 to May 2023, commercial banks lost about $1 trillion of deposits. With the average small-business loan in the US totaling roughly $460,000, that $1 trillion could have funded a frenzy of local loans across the country had it been left untouched at smaller lenders.

Ultimately local lenders were able to claw back some of their control by introducing money-market deposit accounts, starting in the 1980s, intended to compete with money-market funds. Regional banks may need a similar playbook today: moving quickly to roll out competitive products and services before stablecoins erode their funding. With the Genius Act expected to take effect by January 2027, banks have a window to develop their own stablecoin strategies. Wade Peery, chief innovations officer at FirstBank in Tennessee, says he expects some local and regional banks will find ways to act as the settlement layer, moving money between stablecoins and fiat currencies.

Some are already testing the waters. London, Ontario-based VersaBank, which operates in Canada and also owns a US bank subsidiary, started a pilot program in August to test “digital deposit receipts” backed one-to-one by Canadian or US dollars. The bank’s president, David Taylor, says they’ll function like regular deposits—paying interest and being insured by the Canada Deposit Insurance Corp. and the FDIC—but can move on Algorand, Ethereum and Stellar blockchains. VersaBank expects to start with foreign exchange services for brokerage clients and eventually deploy the funds in lending.

“If you put your head in the sand saying, ‘I hope this goes away,’ it’s not going to,” Peery says, calling stablecoins a better machine than cash for moving value—and one that banks can learn to master. “Stop being concerned about it, and start working toward solutions.”

—With Ilena Peng

A Sweeter Take on An Old-Time Buzz

● By Paul Stremple

Arriving back in his native Kenya after spending most of his youth abroad, Brian Kiriba discovered his friends were into chewing khat—a mild stimulant East Africans have used for centuries. Kiriba stuffed a fistful into his mouth and hated it. The bitter leaves scratched his palate and cut his tongue, making him question why anyone would skip Nairobi’s clubs to spend their evenings in dingy rooms doing khat. Then, the narcotic effect kicked in. “Suddenly, I understood,” he says. “But I knew there had to be a better way to experience that feeling.”

He’d heard of locals brewing a sort of juice out of khat, a concoction they called jaba, but it was sold only informally. Thinking there was an untapped market for a higher-quality product, Kiriba started experimenting in his kitchen. He burned out two blenders trying to process the rough leaves before he succeeded in making a decent extract; but it was so potent he and his friends threw up after tasting it. Before long, though, he hit upon a workable combination: diluting the extract with water and adding sugar, fruit juice and hibiscus for flavor.

Kiriba soon founded Handas Jaba Juice, the leader of a slew of startup producers in Kenya. His company has helped create a booming market for the stimulant drink, which is increasingly popular with well-heeled foreigners and middle-class Kenyans, though it’s out of reach for most of the working class. Kiriba charges 450 shillings ($3.50) for a half-liter bottle of standard juice, about as much as Kenya’s legal minimum daily wage.

Premium offerings—cold-pressed extracts, sparkling varieties and extra-strong concentrates—go for more than twice as much. His wares have started popping up everywhere from trendy clubs in the capital to full-moon beach parties on the Swahili coast. “In the early days, we were making 50 liters and giving most of it away,” says Kiriba, 33. “There was huge, huge stigma behind it. It took a lot of convincing to get people to try it.”

Despite its ubiquity, jaba juice currently exists in a legal gray area in Kenya. The khat plant, *Catha edulis*, is legal to grow and sell, but the psychoactive chemicals it contains—cathinone and cathine (both natural amphetamines)—were designated narcotics there under a 1994 law. “Because of this contradiction, we haven’t been able to create a standard that would cover jaba juice,” says Geoffrey Muriira, a director at the Kenya Bureau of Standards, which regulates manufactured goods. If the question of legality is resolved, he says, safe amounts of cathinone and cathine in jaba juice could be determined, ▶

Kiriba

■ PAUL STREMPLE

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◀ which his agency would then certify and enforce. Even without that, though, virtually no one faces penalties for using it in any form.

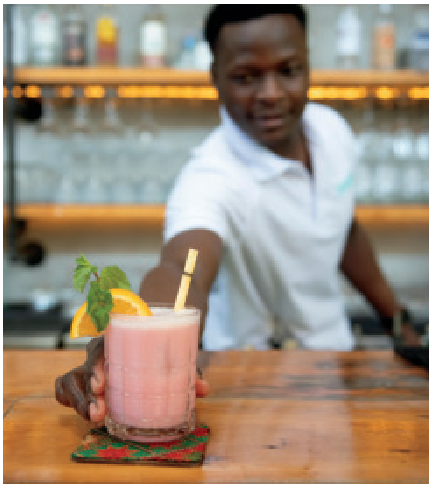
Khat—which local Swahili speakers call *miraa*—has been cultivated in Kenya's highlands for generations, traditionally chewed by groups of men in the afternoon as they sit around talking. The leaf increases alertness, focus and feelings of happiness. It was briefly banned by the British colonial administration in the 1940s, and today it's often associated with motorcycle taxi drivers, long-haul truckers, night-shift workers and others looking for a boost.

Kenyan farmers produced about 32,000 metric tons of khat in 2024, worth roughly $100 million, according to the country's Agriculture and Food Authority. The stuff is banned in the US and Europe, but it's popular in the Horn of Africa and Yemen. Somalia makes up virtually all of Kenya's export market for the crop, but a recent trade agreement with Djibouti has also opened that country to imports of Kenyan khat. Still, 80% of the khat grown in Kenya is consumed domestically. Almost all of that is chewed raw, despite numerous efforts to incorporate it into chewing gum and tea bags.

Jaba juice is by far the most promising new way to consume it, though the drinks are considerably more expensive than chewing. Bamba, a popular Nairobi restaurant known for live music, makes a daily batch of its own juice that has become a fashionable alternative to imported energy drinks like Red Bull. Bartenders mix it with mezcal to create the increasingly popular Smoke & Miraa cocktail, and on busy nights Bamba serves up 100 or more shots of ginger- and lemon-infused jaba at 300 shillings a pop. "We wanted to localize ingredients and support the local economy," says co-owner Rubi Taha. "Jaba is a part of that."

The legal uncertainty notwithstanding, jaba companies are pushing ahead, profiting while the law catches up. Myriad brands have entered the market, with slick packaging, professional marketing and a social media presence that seeks to link the products to images of happy urban professionals at parties and festivals.

At Handas, fresh leaves delivered daily from Kenya's highlands are dumped into the industrial blenders that have supplanted Kiriba's early countertop machines, yielding a bright green pulp. That is hand-pressed to extract the concentrate, which is flavored and sweetened to produce as much as 1,000 liters a day. Kiriba expresses some concern about the legal limbo his business operates in, but he says he hopes greater attention to jaba will spur the government to legitimize his product. "Everyone knows about it, everyone consumes it," he says. "It's all a matter of time. You can't fight the market." Ⓑ



From top: Khat at the Handas Jaba Juice production facility; pulp from freshly blended leaves ready to be pressed and extracted; Bamba's Smoke & Miraa cocktail

■ PAUL STREMPLE (3)

● A Walk With

● By Benoit Berthelot

■ PHOTOGRAPH BY ÉRIVER HIJANO FOR BLOOMBERG BUSINESSWEEK

Mathias Döpfner, top dog at German publishing house Axel Springer, wants to add more US titles to a portfolio that includes *Politico* and *Business Insider*

Mathias Döpfner shakes the rain from his jacket as he enters the Berlin headquarters of media titan Axel Springer SE, his 6-foot-7-inch silhouette reflected in the glass facade. The building is a 13-story cube with a soaring ceiling, the floors cascading down to form a kind of valley inside, each filled with desks from Springer's dozen or so European and US titles. Journalists from the German tabloid *Bild* can see staff from *Politico* and *Business Insider* working above them; they in turn peer up at reporters from the *Die Welt* broadsheet. The building opened in 2020 at a cost of more than €300 million (about $350 million in today's dollars)—pricey by Berlin standards—but, Döpfner gloats, the company had already booked a profit of more than €100 million by selling it to Norway's sovereign wealth fund in 2017. The transaction hints at Döpfner's relentless drive to prove skeptics wrong—in news or real estate—and make money doing it.

A white bull terrier and its owner precede Döpfner into the elevator; the office has 250 registered dogs, all vetted by canine "psychologists," he says with a chuckle. He began allowing them in after an employee asked why pets weren't welcome. "I was so shocked, as I am a dog lover," Döpfner says, listing his three poodles and a Labrador: Plisch, Plum, Lara and Mira. Springer goes to great lengths to woo employees to the place, with free lunches ("from vegan to very unhealthy," Döpfner says) and a verdant rooftop bar for after-work hangouts. Since this summer, four days a week in person has been a requirement, so showing up is also important to keep your job. Unless, of course, you're chasing the news. "A reporter should be out where the story is, and a salesperson with the client," he says.

At 62, the journalist-turned-chief executive officer is clearly the top dog at the conservative-leaning publisher. In April longtime partner KKR & Co. bought Springer's classified ads unit, a money engine for years, for about €10 billion. That left Döpfner and Friede Springer, the widow of the company's founder, with the rest of the company, valued at roughly €3.5 billion, and a pile of cash. Together, they now own 98% of the remaining media business.

Publishing is a tough standalone trade. The company this summer fired more than a fifth of the staff at *Business Insider*, as the news site has suffered a sustained drop in traffic. "We have to find our new gold," Döpfner says, opening a rhubarb soda plucked from a meeting-room fridge. "We have to disrupt ourselves rather than wait for someone to do it."

Döpfner insists artificial intelligence is the way to get there. The first time he used ChatGPT, he says, it felt like his third epiphany as a publisher. (The first came in the 1990s, when he saw his first news website; the second was the advent of the iPhone.) Axel Springer struck a pioneering deal with OpenAI Inc. in 2023 worth tens of millions of euros (Döpfner won't be more specific), giving the AI company access to archives and current content to train its model and help answer queries. "And that is recurring revenue, on a daily basis," Döpfner enthuses. *Bild* now has a chatbot powered by OpenAI that he says has expanded the time users spend on the site. He's asked his managers to submit ideas by the end of September on other ways to tap the technology.

Döpfner usually starts his workday by 8 a.m. Before we met, he'd had lunch with former Health Minister Jens Spahn, then met a Google executive, then a *Bild* team. Most nights he has business dinners, getting home after 10 p.m. But he's just as often on the road. In June he visited the Cannes Lions advertising festival, where he took in a 50 Cent concert on the Snapchat beach, then in July he hobnobbed with tech moguls at the Sun Valley conference. "I try to avoid routine and be surprised every day," he says as we climb higher in the building, headed to the studios of Welt TV, the news channel based on the daily paper. Döpfner peeks in to glimpse an anchor reading headlines, to the surprise of the production assistant at the door.

Early on, Döpfner aspired to be a musician, playing bass in various bands. "I found out my talent was limited, so I started to write about music," he says. He worked as a critic for a decade, then became chief of staff for the CEO of publisher Gruner + Jahr and later editor-in-chief of *Wochenpost*. In 1998 he joined Axel Springer to lead *Die Welt*, in part because of the company's history of supporting German reunification, free markets and the fight against antisemitism. These days, he says, he is adding strong US-Europe ties to the list of the company's core values, and plans to feature that idea prominently in job listings.

The publisher has been frequently tested by controversy, with Döpfner often personally involved. In 2023 the weekly *Die Zeit* published internal texts and emails from Döpfner laying bare an apparent attempt to influence Germany's federal election. The blowback from the messages—in which he badmouthed "intolerant Muslims" and residents of the former East Germany while seeming to dismiss climate change as no big deal—spurred him to publicly apologize.

His ties to Elon Musk have also raised eyebrows in his newsrooms. Döpfner has interviewed the Tesla Inc. boss, and in 2022 he wrote text messages to Musk suggesting he buy Twitter, information that came to light in a lawsuit the social media platform filed when Musk tried to back out of the deal. A *Die Welt* editor resigned last year after the paper published an op-ed from Musk backing Germany's AfD, a far-right, anti-immigrant party. Döpfner dodges a question on his current relationship with the estranged Donald Trump ally, calling the recent Trump-Musk spat "high entertainment."

A fierce Atlanticist despite the tensions raised by the current occupant of the White House, Döpfner still sees the US as the biggest opportunity for Springer. He says he's met one-on-one with every US president since George W. Bush—except Trump. (He'd like to.) He also says he's interested in bringing another US media startup under Springer's roof, singing the praises of the *Free Press*, the conservative outlet that's been in talks with CBS. "I think they have other plans" than a deal with Springer, he says. The US has fascinated him since he first visited at age 16. "A total stranger stopped me and said, 'Nice suit, I love it!' " he recalls fondly. "I was wondering what was wrong. Then I realized, 'Wow, it's a different mentality.' That would never happen in Berlin." Ⓑ

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Our contributing writers' guide to a changing landscape

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Wes Kosova presents the CEO's playbook for managing Trump

Donald Trump calls himself the most transparent president in history. And in some ways he's right. Where many of us would be mortified if the world could eavesdrop on our internal monologues—all of our personal complaints, desires, jealousies and grievances publicly laid bare—Trump exhibits no such inhibition. His daily torrent of Truth Social posts and the hours he spends before the cameras each week saying whatever comes to mind offer everyone an unredacted transcript of a president's conversations with himself.

Among the things Trump doesn't hide is his desire to be awarded prizes and gifts. He's open about his craving for the Nobel Peace Prize and his vexation that Barack Obama has one and he doesn't. He posts effusive self-congratulations after being declared the winner of tournaments held at his own golf clubs. "It's good to win," he told reporters aboard Air Force One after an April championship at his course in Jupiter, Florida, one of six trophies he's claimed this year. "You heard I won? Did you hear I won? Just to back it up there, I won."

This fixation has evidently not gone unnoticed by leaders of prominent corporations, including Tim Cook. After Trump threatened this summer to impose stiff tariffs on foreign-made semiconductors, a tax that would drive up the cost of iPhones and other devices, the Apple Inc. chief executive officer arrived at the White House in August with a pledge to invest an additional $100 billion in US manufacturing, helping Trump fulfill a campaign promise.

It wasn't the only enticement Apple's leader brought to the Oval Office that day. Cook, whose transactional relationship with the president has experienced many ups and downs, cracked open a white box to reveal a "unique" gift crafted specifically to Trump's tastes: a glass Apple logo set atop a gleaming 24-karat gold base. Cook extended his hand to the only man who would ever win such an award. "Congratulations, Mr. President," he said, to Trump's delight.

Cook walked out of the White House with a pledge from the president worth more than that trophy's weight in gold. Trump announced that he would allow Apple, and other companies that invest in US manufacturing, to escape the chip tariffs.

Cook's obsequiousness may have been over the top, but his method isn't unique. Apple is one of several major corporations whose CEOs have recently succeeded in securing favorable treatment from the US government by handing Trump an opportunity to extract a hefty prize—along with bragging rights. Nvidia Corp. and Advanced Micro Devices Inc. got Trump to drop his opposition to the companies selling AI chips to China by sealing a controversial (and possibly unconstitutional) deal to give the US a 15% cut of their China sales revenue. A month earlier, Trump signed off on Nippon Steel Corp.'s takeover of US Steel Corp. after executives agreed to grant the government a so-called golden share in the company, which gives the administration a say over major decisions. In early September, tech executives flocked to a White House dinner, where they competed to praise Trump for his hands-off approach to artificial intelligence.

There's nothing inherently wrong with a government deciding to back certain industries or companies. France heavily invests in nuclear power, which provides most of the nation's electricity. China pours billions of dollars into Huawei Technologies Co. and other national champions as part of its drive to surpass the US as a global tech power. But successful state investments depend on clear goals and careful planning, says Rebecca Henderson, a professor at Harvard Business School. "It seems to me unlikely that these investments will lead to significant benefit for the economy or the American people," she says. "Because it's random." The president's deals with CEOs are often made in haste, and his decisions about which companies to target sometimes appear to have less to do with a consistent policy than whom he happened to get mad at and make up with that week. White House spokeswoman Taylor Rogers said in an emailed statement that Trump has brokered "good deals on behalf of American workers" and "welcomes private sector and foreign investments in the United States."

Some CEOs have turned the misfortune of incurring Trump's wrath to their advantage, using it to get a coveted one-on-one with the president that ends with Trump claiming victory and easing off his attacks. That's what happened in August, when Intel Corp. CEO Lip-Bu Tan suddenly found himself under siege.

Tan, a US citizen born in Malaysia, took the helm at Intel in March with plans to turn around the chipmaker. Once an industry leader, it's struggled in recent years to keep up with faster-moving competitors. Reviving Intel was a centerpiece of President Joe Biden's 2022 CHIPS and Science Act. The US government was on track to award Intel more than $8 billion to help build factories stateside. But Trump didn't share Biden's enthusiasm for the company, especially after Tan sought to cut costs by slowing domestic manufacturing plans.

Trump pounced after Republican Senator Tom Cotton of Arkansas asked the chairman of Intel's

Cook (second from right) brought gifts when he visited Trump in August

■ WIN MCNAMEE/GETTY IMAGES

“It seems to me unlikely that these investments will lead to significant benefit for the economy or the American people. Because it’s random”

board to answer questions about Tan’s past investments in Chinese semiconductor companies and others with alleged ties to China’s military. “I have always operated within the highest legal and ethical standards,” Tan said in a message to Intel employees. Tan’s investments broke no law, but they raised Trump’s ire. “The CEO of INTEL is highly CONFLICTED and must resign, immediately,” Trump posted on Truth Social. “There is no other solution to this problem.”

Apparently there was another solution. Tan didn’t resign, as Trump called on him to do. Instead he made haste to the White House, where he gave the president an enticing prize. He agreed to sell a 10% stake in the company to the US government for $8.9 billion. It was just the kind of unorthodox, controversial arrangement that Trump loves—and loves to talk about. “I think it’s a great deal for them,” he later told reporters. “He walked in wanting to keep his job, and he ended up giving us $10 billion for the United States.” (Trump does like to round up.)

It’s too soon to tell if those billions will turn out to be a wise investment for taxpayers. But it’s likely a good deal for Intel in the near term, says Kunjan Sobhani, lead semiconductor analyst with Bloomberg Intelligence. The government won’t have a seat on the board, so it doesn’t have a direct role in influencing company decisions. At the same time, “having the backing of the US government unofficially implies that if they fail, the government could potentially aid them through a bailout,” Sobhani says. He notes another implied benefit: Trump’s very public support for Intel may create an incentive—or pressure—for other companies to use Intel’s US factories to manufacture their chips instead of turning to products made by foreign rivals such as Taiwan Semiconductor Manufacturing Co.

The agreement was certainly good for Tan himself. Just days after demanding his resignation, the president had nothing but nice things to say about him. “His success and rise is an amazing story,” Trump posted online.

Paying tribute to Trump is no guarantee of lasting leniency. Hyundai Motor Co. pledged to invest billions of dollars in US manufacturing, agreements the president boasted about this year. That didn’t stop Trump’s immigration enforcers from raiding a Hyundai-LG Energy Solutions Ltd. electric-vehicle battery plant under construction in Georgia and arresting hundreds of foreign engineers and subcontractors working to get the factory up and running.

The Intel deal has given Trump a taste for using taxpayer dollars to buy stakes in other tech and possibly defense companies. Not too many years ago, Republicans lined up against the 2008-09 US auto industry bailout, arguing that the government shouldn’t interfere with the free market. There’s not much talk like that coming from Republicans now. A handful of right-wing podcasters have decried the US purchase of Intel shares, and four Republican members of Congress have expressed reservations. The boldest, Senator Rand Paul of Kentucky, called it “a step toward socialism.” If any of the other 268 Republicans in the US Capitol have a similar complaint about Trump’s not-so-hidden hand in the market, they’re largely keeping it to themselves. Ⓑ

“Healthy” kid snacks are everywhere. Deena Shanker digs into the trade-offs

Few people understand the importance of always having a snack at the ready like a mom. Lunch box? Of course—nobody can live on sandwiches alone. Before homework or practice? Sure, the kids need an energy jolt (or a bribe) to power through. Expecting to be in the car for more than an hour? Pack a few.

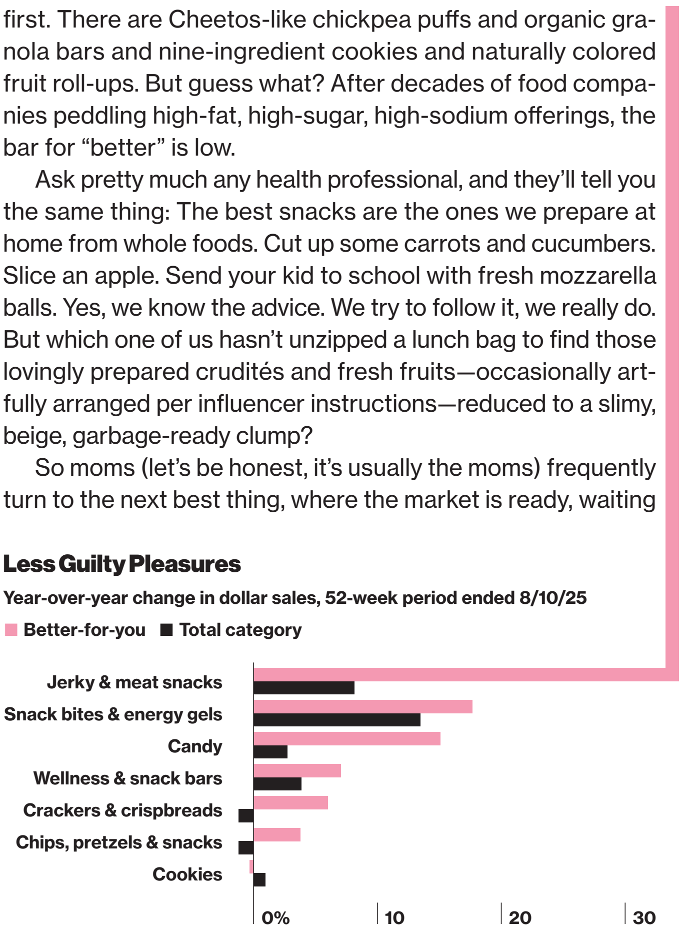
As American adults continue to enjoy snackified diets, so do children, whose small tummies at least make a better case for eating all day long. Grocers are responding by overstuffing their snack aisles with supposedly “better for you” options, which is lucky for parents—or at least it seems that way at first. There are Cheetos-like chickpea puffs and organic granola bars and nine-ingredient cookies and naturally colored fruit roll-ups. But guess what? After decades of food companies peddling high-fat, high-sugar, high-sodium offerings, the bar for “better” is low.

Ask pretty much any health professional, and they’ll tell you the same thing: The best snacks are the ones we prepare at home from whole foods. Cut up some carrots and cucumbers. Slice an apple. Send your kid to school with fresh mozzarella balls. Yes, we know the advice. We try to follow it, we really do. But which one of us hasn’t unzipped a lunch bag to find those lovingly prepared crudités and fresh fruits—occasionally artfully arranged per influencer instructions—reduced to a slimy, beige, garbage-ready clump?

So moms (let’s be honest, it’s usually the moms) frequently turn to the next best thing, where the market is ready, waiting and booming. In the US, unit sales of better-for-you snacks—the industry’s preferred term—rose more than 5% in the 52 weeks ended Aug. 10, according to retail data tracker Spins, while conventional snacks were down about 2% over the same period (the latter a multiyear trend supercharged by the popularity of new weight-loss drugs). The emerging category is much smaller than conventional snacks—$15 billion in annual sales versus $101 billion—but its growth is yet another sign that Americans are more attentive to what we put in our bodies and are willing to pay more for what we deem healthier. (The burgeoning market predates the Make America Healthy Again political movement, though it has doubtlessly benefited.)

Less Guilty Pleasures

Year-over-year change in dollar sales, 52-week period ended 8/10/25



Parents navigating the many new choices may feel lost. The abundance is on full display at Whole Foods Market, where you’ll find organic-label knockoffs of Pop-Tarts (which, upon closer inspection, have about one-third more sugar than the originals) and chocolate chip oatmeal bars that are so caloric and sugary, the recommended serving size is half of an individual package. There are now more meat snack brands than demons in a K-pop boy band, all making nearly identical claims about zero sugar and high protein. The supermarket chain bans more than 300 ingredients, so shoppers can be sure that none of these products have artificial food dyes, high-fructose corn syrup or certain noncaloric sweeteners such as aspartame. Yet the absence of bad ingredients doesn’t de facto make a product good for you.

I asked Olivia Thomas, the director of nutrition innovation and implementation at Boston Medical Center, for help finding my way. She dispensed the usual advice to first consider homemade options, but she also recognizes that busy people often need the convenience of packaged snacks. Parents should ignore better-for-you or whole-food claims, she says, and instead focus on the small print that details levels of added sugar and sodium (you want to keep those low) and those of fiber and protein (aim high there).

Sounds simple enough, but what about when the better-for-you nutrition panel looks strikingly similar to the conventional one? This is how Annie’s Organic Cheddar Bunnies stack up

■ PHOTOGRAPH BY ANDRIA LO FOR BLOOMBERG BUSINESSWEEK ■ DATA: SPINS

against Pepperidge Farm Goldfish: The serving sizes and calorie counts are identical. The protein, also identical. Neither have added sugar (good) or much in the way of fiber (bad). Annie's uses a less processed oil than Pepperidge Farm does, Thomas says, and the organic label means lower pesticide exposure. Prices vary by retailer and package size, but the Annie's is usually—if not always—more expensive, for what Thomas says are differences that may be "negligible."

Even what can appear to be the healthiest snack available in a package (for the kid, if not for the environment)—a pouch with nothing but fruit and vegetable mush—comes with potential drawbacks if overconsumed. This liquid form of nutrition epitomizes a particular feature of our increasingly industrialized diets: softness, a characteristic that makes it easier to suck down inordinate amounts of calories in a short amount of time, whether it's a Big Mac or applesauce. Softness is also one of the major culprits behind a population-level lack of jaw development, making us prone to a long list of ailments, including bad teeth and sleep apnea, according to a provocative and persuasive 2018 book from Stanford University Press called *Jaws: The Story of a Hidden Epidemic*. Alarming for the vainest among us, it's also been linked to permanent changes in facial structure. Its authors, one an orthodontist and the other a biologist, posit that "poor oral posture and mouth breathing may make previously 'cute' children look quite noticeably less attractive as they grow older."

Unfortunately for parents, children seem to sense when you're pushing something closer to Thomas' guideposts, and once it gets within throwing distance, they reject it. As a child, I don't think I appreciated the old Kix tagline, "Kid Tested. Mother Approved." As a mom, I wish more of these mom-approved foods were actually tested on kids. "How we need to actually evolve the snacks market," says Maha Tahiri, chief executive officer of food industry consulting firm Nutrition Sustainability Strategies LLC, is to make sure that "the kids don't realize that they're compromising."

We're not there yet. After recommending low-fuss homemade snacks (plain yogurt with fun toppings; hummus and pita), Thomas offered some packaged food brands that have her approval. One example: That's It bars, which are made from nothing but fruit. I had to laugh when I saw them on the list. The mini bars, which cost almost $1 a pop, are seared permanently in my brain as the snack that I had been packing for my now 7-year-old for weeks until one day, she said very casually, "Oh, I throw those away at school every day."

Of course, my kid's preferences are not every child's. My other daughter ate those bars for a while—until she didn't. Another mom I spoke with said her kids like them, but only one flavor, leaving the rest of the variety pack untouched. Choosing snacks is like playing *Tetris*, as one mom put it. You try to meet your child's constantly changing demands for taste, variety, novelty and familiarity all while hoping to match your own preferences for nutrition. Cost actually plays a much smaller role for parents than one might expect; 67% of consumers with children 12 or younger will pay more for healthier snacks, compared with 58% of the general population, according to market research company Circana LLC. But what we consider an acceptable surcharge for a snack we feel happy with can quickly become completely wasteful—or entirely unaffordable—if that highfalutin bar goes straight into the trash.

ONCE
UPON A
FARM

For those looking for more of Thomas' suggestions, she also likes Harvest Snaps Kids fruit crisps, Organic Valley Mozzarella Stringles and Lesser Evil popcorn. My recommendation is to buy one and try it out before you order from Costco. Preferences in the better-for-you aisle vary not only by kid but by day of the week. Yesterday, today and forevermore, though, Oreos seem to be universally accepted.

For the caretakers trying to keep children nourished and fed, the two goals often seem to be at odds. In 2017, the *International Journal of Behavioral Nutrition and Physical Activity* published a review of 47 studies on parenting styles and feeding that found that restricting foods too much can backfire, but letting kids eat whatever they want will also, unsurprisingly, lead to unhealthy outcomes. The authors point to "positive food parenting" as a possible middle path, while also acknowledging that there's a shortage of research on exactly what types of behavior yield results. How unsatisfying is that?

Are US Statistics Understating Inflation?

● **By Laura Bliss and Klara Auerbach**

Faced with runaway inflation during World War I, the US Department of Labor came up with a handy tool. A single figure, the Consumer Price Index, would measure the changing cost of a basket of everyday items. More than a century after its national debut in 1921, the CPI now encompasses 80,000 goods and services, from baby formula to college tuition. The index is used to adjust Social Security payments, federal income tax brackets and commercial rents, and it influences employer decisions on wages and salaries.

The problem with this dependence on a single indicator is that not all Americans experience inflation the same way. The CPI includes many items beyond the reach of working families, such as sports tickets, air travel, second homes and golf carts. If the costs of basic necessities such as rent and medical care rise faster than those of nonessential goods, the index may not truly reflect the reality many households face. That's exactly what's happened over the past couple of decades, according to a forthcoming book, *The Mismeasurement of America: How Outdated Government Statistics Mask the Economic Struggle of Everyday Americans.*

"The CPI is not tremendously relevant to the lived experience of middle- and low-income Americans who don't buy 80,000 goods and services," says Ludwig, who was US comptroller of the currency under President Bill Clinton and went on to a career in financial services before founding the Ludwig Institute for Shared Economic Prosperity (Lisep) in 2019. "If we're going to have a number that is relevant to them, it's got to be a smaller group of items that matter to their lives." A spokesperson for the BLS notes that any good or service purchased by a small subset of wealthy people would have a very small weight within the entire index.

Ludwig and his colleagues at Lisep have come up with an alternate measure they call the True Living Cost. The TLC includes only a household's minimal needs: housing, medical care, transportation, groceries, child care, technology such as smartphones and internet connections, and miscellaneous expenses like clothing and personal hygiene. Since 2001 the alternative index has risen 1.3 times faster than the CPI.

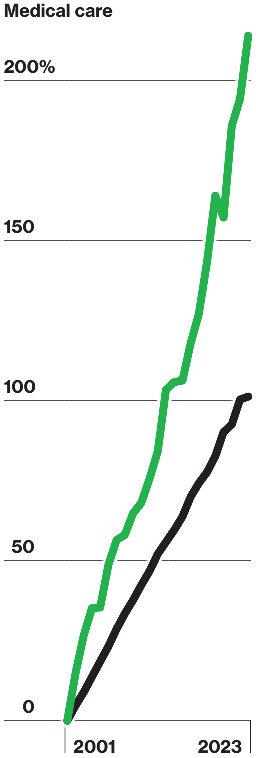
The disconnect between how Americans experience inflation and the government statistics showed up clearly in the lead-up to the 2024 election, Ludwig says, when the price of eggs and other basics was top of mind for many voters even as officials in the Biden administration and the Federal Reserve stressed that the cost-of-living crisis was receding.

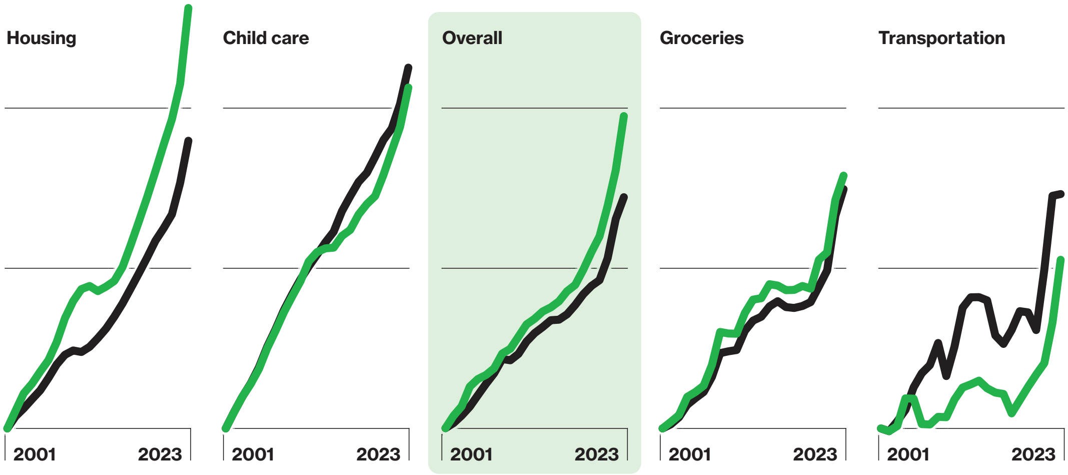
The differences between the two metrics go beyond

How the True Living Cost Stacks Up Against the Consumer Price Index

Change since 2001

🟩 TLC ■ CPI

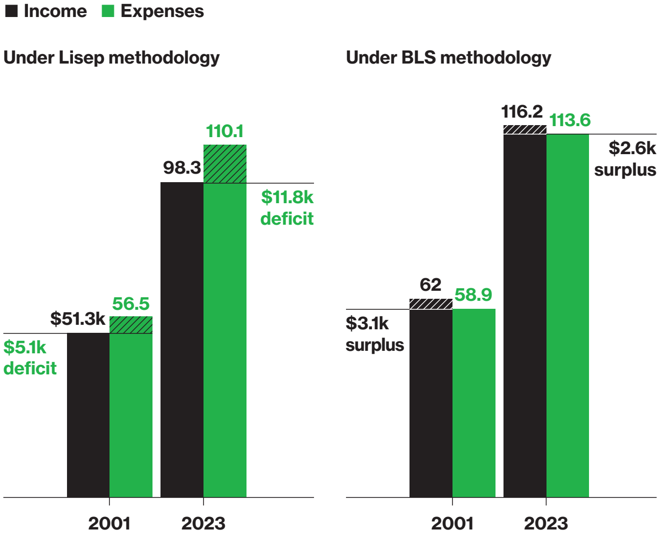




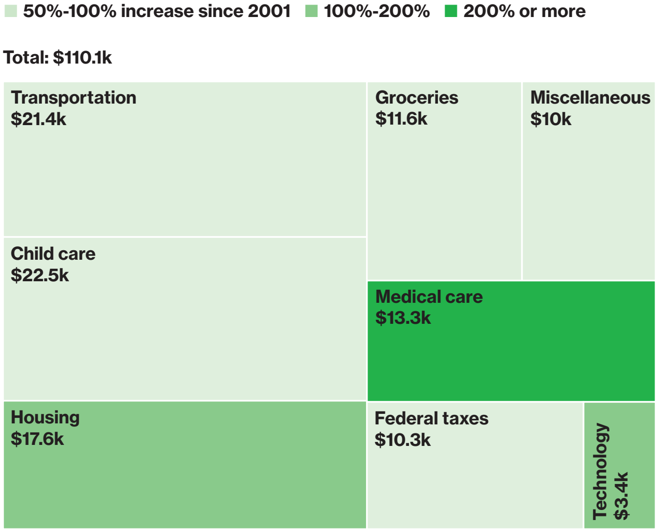
■ DATA: LUDWIG INSTITUTE OF SHARED ECONOMIC PROSPERITY CALCULATIONS BASED ON US BUREAU OF LABOR STATISTICS, CURRENT POPULATION SURVEY AND NATIONAL BUREAU OF ECONOMIC RESEARCH TAXSIM NUMBERS. PRICE CHART COMPARES CPI CATEGORIES TO THEIR CLOSEST COMPARABLE TLC CATEGORIES. EXPENSES REPRESENT COSTS TO MEET "MINIMAL ADEQUATE NEEDS" AS DEFINED BY LISEP. EXPENSES FOR A MEDIAN-EARNING TWO-PARENT, TWO-CHILD HOUSEHOLD IN 2023 UNDER LISEP METHODOLOGY

Economics of the Family

Median annual income and expenses of a two-parent, two-child household



Expenses for a median-earning two-parent, two-child household in 2023



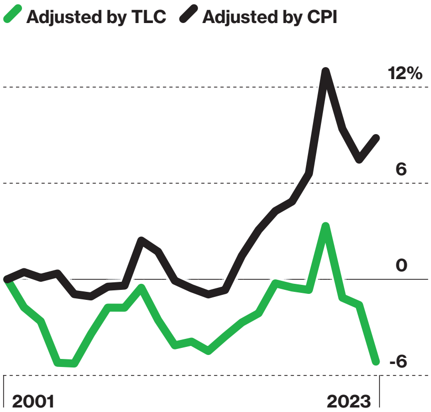
the range of items considered. They also come down to methodology. For example, in the CPI, what the BLS calls “shelter” largely measures owners’ equivalent rent, or how much owners think their homes would rent for. The housing component in the TLC, though, uses data on fair market rents that the US Department of Housing and Urban Development has gathered. From 2001 to 2023, the cost of housing as measured by the CPI rose 90%, while the TLC reading was up 131%.

Measurement quirks also understate the true cost of health care, Ludwig maintains. In the CPI, medical care mostly measures reimbursements to providers made by private insurers and Medicare, in addition to patient payments, but the TLC tracks only households’ out-of-pocket expenses and contributions to medical and dental plans. The CPI shows medical costs have doubled since 2001, whereas the TLC shows they’ve almost tripled, largely from a massive rise in premiums.

For other categories, like groceries and child care, the indices track closely together because their data is drawn from similar sources. For transportation, the CPI actually outpaces the TLC, because the former assigns more weight to motor fuel and maintenance expenses and the latter measures only used cars, not new ones, in its assessment of vehicle costs.

Two Ways to Look at Pay

Change in median weekly full-time wages, as calculated by the BLS, since 2001



Ludwig argues that the CPI fails to capture the erosion in buying power many Americans have experienced. Over the past 20 years, real wages have essentially stagnated for the median worker. In fact, if you adjust nominal wages by the TLC, they’ve actually fallen. Speaking of which, Ludwig also takes issue with the most widely cited measure of wages published by the BLS, because it covers only full-time and salaried workers. By excluding the tens of millions of part-time workers and active job-seekers, the indicator masks just how hard it is for many households to make ends meet, he says. Consider, for instance, how much the median household of two adults and two children would have left over after covering annual expenses. If those adults were both full-time median earners, they had a $2,600 surplus in 2023, down from $3,123 in 2001. But if they’re just median earners—a group that includes part-timers and the underemployed—they were $11,766 short of meeting their basic needs in 2023, up almost 130% from 2001, when that shortfall amounted to $5,124.

The BLS makes periodic changes to the category weightings in the consumer basket, but attempting a more radical overhaul would complicate historical comparisons. The agency has come under attack from President Donald Trump, who fired its commissioner in July after accusing her of manipulating jobs data, while presenting no evidence. In a statement on Sept. 9, US Secretary of Labor Lori Chavez-DeRemer faulted leaders at the bureau for “utilizing outdated methods that rendered a once reliable system completely ineffective.”

Ludwig doesn’t blame the Feds for the CPI’s shortcomings, nor does he propose eliminating the indicator. Rather, he says, the US needs complementary metrics to fully grasp the economic realities that working-class households face, so policymakers can respond. US household net worth may be reaching new peaks, and the CPI may be rising more slowly than in recent years. But the TLC suggests things are far from rosy, Ludwig says. “People can’t have their lives constantly going downhill in a society that is actually net getting wealthier.” Ⓑ

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2025-26
Best B-Schools

By Dimitra Kessenides

Stanford holds on to the top spot among full-time MBA programs in the US. Overall, shifts are underway globally that could result in long-term fundamental changes

Methodology

Our ranking is based on five indexes that capture fundamental elements of B-school education and professional development: compensation, learning, networking, entrepreneurship and inclusion. Students, alumni and employers are asked to rank the five most important factors when considering a business school (or, for employers, the most important qualities when hiring graduates). Survey responses determine the relative weighting of the indexes. Schools also supply their own data.

The complete list of schools and a detailed methodology are available at bloomberg.com/business-schools

It might sound like old news, but it's not: The Stanford Graduate School of Business is again the No. 1 US business school in our annual ranking of full-time MBA programs. GSB dominates in two of our five key indexes—coming in first in networking and entrepreneurship. As technology, and especially artificial intelligence, is a priority for graduating MBAs, schools most identified with emerging tech continue to rule the Best B-Schools list.

The business of business education faces more challenges than ever. At MBA programs boasting median base starting salaries of at least $140,000, this year's grads struggled more than last year's to find work within three months of completing their program. Only two schools—Columbia and the University of Washington's Foster—improved on this count versus 2024, according to data from the MBA Career Services & Employer Alliance, an association for career-services professionals that tracks and reports on MBA job trends. Emory's Goizueta (No. 16 in the ranking) saw 79% of graduates accept a job offer within 90 days of graduation, compared with 96% of 2024 graduates. As our return-on-investment analysis shows, postgraduation salaries have stagnated, rising only 1.7% from a year ago.

However global some of these problems may be, they're more keenly present at US programs. In late May, as the Trump administration went after Harvard (No. 4 in our ranking this year) and other universities on issues of diversity, international enrollment and more, deans and administrators at B-schools in Canada, Europe, the Middle East and Asia loudly opposed the challenges. "Blocking the movement of students, scholars and researchers undermines the foundation of global scholarship," Emmanuel Metais, dean of Edhec Business School in Nice, France (ranked 15th in Europe and the Middle East), said in May. "It weakens academic exchange and sends the wrong message about the value of openness in education and business."

Other schools offered more tangible support. Insead, for example, in Fontainebleau, France (No. 5 in Europe), in late July extended its final MBA application deadline and reopened scholarships to support prospects. Dean Francisco Veloso acknowledges there's an opportunity for the school, but ultimately it's about appealing to the best students and supporting education generally, wherever it's happening.

The Hong Kong University of Science and Technology's business school (No. 2 in Asia) invited Harvard's international undergraduate and postgraduate students to apply through a streamlined application, review and enrollment process. "This felt like a moment that would accelerate a longer-term trend: As the global economy gets rewired, indigenous business schools in Asia are being recognized for world-class teaching and playing a bigger role in supplying MBA talent to the companies operating in Asia," says Stephen Shih, an associate dean with HKUST.

For all the tension deans are feeling, he says, there's also a sense of anticipation. "Many people have been talking about the 21st century being the Asian century for many years. And it's starting to feel like that is materializing," he says. "There is a sense of the glass being more full than empty. I find myself speaking with more and more applicants from Asia because they see their best career prospects here. This is a significant change from just a few years ago."

All of which points to a big question: Are we at a turning point, where the dominant forces in graduate business education shift abroad from the US? Ⓑ

2025-26 Best B-Schools

The US Rankings 1-50

Rank	School	Change from 2024-25	Compensation	Learning	Networking	Entrepreneurship	Inclusion
1	Stanford	0	2	7	1	1	32
2	Pennsylvania (Wharton)	▲5	1	51	6	19	16
3	UC Berkeley (Haas)	▲11	10	8	5	2	10
4	Harvard	▲2	8	14	4	5	26
5	Northwestern (Kellogg)	▼2	5	11	8	13	48
6	Dartmouth (Tuck)	▼2	7	16	2	28	40
7	Chicago (Booth)	▼5	6	24	11	11	29
8	Cornell (Johnson)	▲3	9	19	9	12	21
9	Columbia	▲8	3	46	15	26	28
10	Virginia (Darden)	▼5	4	24	19	22	44
11	MIT (Sloan)	▼1	13	14	21	7	20
12	NYU (Stern)	▲3	11	38	17	42	12
13	Duke (Fuqua)	▼1	12	55	27	56	5
14	Michigan (Ross)	▼6	14	34	13	32	36
15	Carnegie Mellon (Tepper)	▼6	20	5	7	4	47
16	Emory (Goizueta)	▲5	15	23	32	53	41
17	Yale	▼5	16	29	25	49	39
18	Washington (Foster)	▲6	19	48	30	48	29
19	UCLA (Anderson)	▼1	24	39	14	26	18
20	USC (Marshall)	▲10	23	42	20	17	33
21	Texas at Austin (McCombs)	▼2	17	62	26	31	50
22	Georgetown (McDonough)	▲1	21	27	28	29	57
23	Georgia (Terry)	▲12	28	2	3	8	61
23	Georgia Tech (Scheller)	▼7	26	31	35	41	31
25	Rice (Jones)	▼3	22	65	48	25	21
26	Maryland (Smith)	▲14	38	9	29	14	3
27	Vanderbilt (Owen)	▼7	18	64	31	49	63
28	North Carolina (Kenan-Flagler)	▼3	25	48	40	38	52
29	Texas Christian (Neeley)	▲7	34	12	10	19	43
30	Washington in St. Louis (Olin)	▲3	32	36	52	35	6
31	Indiana (Kelley)	▼4	27	43	34	46	51
32	Texas at Dallas (Jindal)	▲14	39	12	39	54	13
33	Minnesota (Carlson)	▲5	30	45	49	60	27
33	Rochester (Simon)	▼5	29	55	62	66	8
35	Brigham Young (Marriott)	▼1	37	3	17	3	68
36	William & Mary (Mason)	▼4	52	1	12	10	37
37	Ohio State (Fisher)	▲2	33	53	43	68	42
37	Wisconsin	▲6	46	20	24	37	45
39	Notre Dame (Mendoza)	▼8	35	34	23	40	67
40	Southern Methodist (Cox)	▼14	36	65	45	57	38
41	Texas A&M (Mays)	0	31	52	33	64	62
42	UC Irvine (Merage)	▲7	51	21	37	19	9
43	Tennessee (Haslam)	▲10	46	43	21	32	53
44	Arizona State (Carey)	▼15	44	31	47	57	24
44	Pittsburgh (Katz)	▲4	50	6	37	14	54
46	Boston University (Questrom)	▼2	41	58	67	52	23
47	American (Kogod)	▲9	43	46	60	55	Unranked
48	San Diego (Knauss)	Previously unranked	57	4	35	9	11
49	Miami	▲1	49	58	51	44	19
50	Utah (Eccles)	▼4	42	30	50	29	65

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MBAs Are Pricier and Less Profitable

Return on investment fell at 4 out of 5 US B-schools, as our analysis shows that pay after graduation has stagnated

By Phil Kuntz

Getting an MBA in the US has gotten a little more expensive and a little less profitable, according to a Bloomberg analysis of salary and tuition data.

This year's update of Bloomberg's Business School ROI Calculator, based on surveys of more than 9,500 students and alumni, projects a typical return on investment of 12.3% a year for the decade after graduation. That's down from 13.3% last year. The S&P 500 index, by comparison, returned 14.6% over the decade ending Aug. 31.

The main reason for the decline: This year's respondents reported 6.2% better pre-MBA salaries than last year's, while projected postdegree earnings increased only 1.7%. In other words, the MBA pay edge—the compensation boost graduates get for the degree—shrank. In the broader US workforce, the average high-skilled worker's earnings rose 4.7% in the year ended July 31, Federal Reserve data show.

Other factors didn't help: The increase in pre-MBA salaries meant students were forgoing more income during their studies. Tuition and other expenses increased 2.4%, some of that financed with bigger loans at higher rates. In all, the typical total investment to get an MBA rose 6.8%, to almost $300,000.

Of schools included in both this and last year's calculator, the ROI fell at 4 out of 5. Syracuse University's Whitman School of Management had the sharpest decline, to 13.3%, from more than 21%. While its students reported spending 44% more on tuition and other expenses and taking on almost 74% more debt than in 2024, the profitability drop was mostly driven by a shrinking pay edge.

That metric is the MBA ROI's biggest driver, and at Syracuse, it plunged: According to this year's survey, its students' median compensation more than tripled after graduation; last year, pay typically almost quintupled at Syracuse.

The pay edge is dominant because its benefits accumulate over time; that's why the tool calculates an MBA's return over the decade after students resume work. Moreover, the edge continues growing, thanks to bigger projected raises. Earnings for midskilled workers last year rose 0.7 percentage points less than for their high-skilled counterparts, the Fed says.

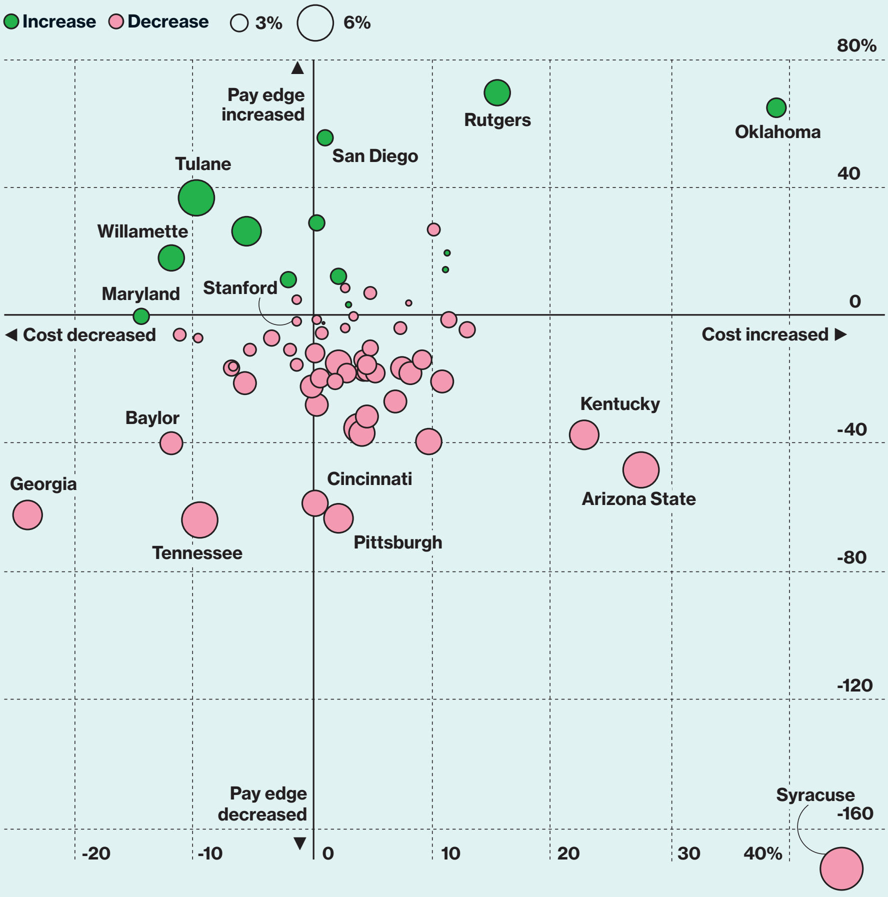
Tuition and other costs, the second-biggest ROI factor, are much less important, because they represent a one-time investment. Other items included in the tool's calculations, debt and post-MBA signing bonuses, have little impact, because interest costs and bonus investment gains are tiny relative to the pay edge and expenses.

Tulane University's Freeman School of Business had the largest profitability gain. Its ROI more than doubled to 9.9%, thanks to a 27% rise in median post-MBA compensation, to almost $129,000, and an almost 10% decline in expenses.

Students can maximize the pay edge by opting for higher-salaried fields after graduation. Many don't. Almost 1 in 4 survey respondents to our US-schools survey went into technology, even though consulting, financial services and real estate pay more. Jobs in the nonprofit world, government and education paid the least, about $100,000 or less. Ⓑ

MBA's Diminishing Returns

ROI change 2024-25



■ PHOTOGRAPH BY CASSANDRA KLOS FOR BLOOMBERG BUSINESSWEEK

MIT Sloan's Superpower

Richard Locke, the school's idealistic new dean, ramps up to confront global challenges threatening education and humanity

By Bill Donahue

When he was 14 years old and reading John Steinbeck's *The Grapes of Wrath*, Richard Locke grew so outraged over the mistreatment of farm workers that he stormed down to his local supermarket and joined a picket line.

A half-century later, as he steps into his new role as the dean of the Massachusetts Institute of Technology's Sloan School of Management, Locke's youthful idealism—and his restlessness and big vision—are still intact. A lean and energetic overachiever who hits the gym each morning at 6, Locke speaks with zeal of the "persistent local and global challenges affecting nearly every aspect of the human condition" and vows to help Sloan's "brilliant, curious students" address urgent global problems, like climate change, the ethical riddle of artificial intelligence and the shortcomings of our health-care system.

Locke grew up near Boston, listening to his mother, an immigrant, speak Italian. In college, he labored part time in the cafeteria at Wesleyan University and went on to become the chair of MIT's political science department, as well as an expert on how to make global supply chains more efficient and labor-friendly.

He left MIT in 2012 after 25 years to become the provost at Brown University, where he helped boost the school's Black and Latino enrollment. Locke then spent two years as a different sort of dean, this time at Apple University, the tech giant's internal education arm. He was hesitant at first when the company reached out to him, having spent his career fully in academia. Ultimately he decided it would be a chance, he says, to educate himself in "how adults learn and what cutting-edge global corporations need and expect from their managers." Locke stepped into his role at Sloan on July 1.

> “We already teach, and will continue to teach, the value of people, the value of human capital, and how important it is to nurture that in a technological economy”

Does MIT Sloan have a superpower that will let it make change for the good in an increasingly fraught and fragmented world?
Most business schools are like little islands unto themselves. But MIT Sloan is embedded in a university that’s engaged in the big issues of the day. MIT is asking, “How might you think about new technologies around battery storage? Around the sequestration of carbon or nuclear fusion?” They’re coming up with the science, and then we say, “OK, how would you implement and commercialize it? What would be the innovative financial instruments that you would use?”

I’d like to get even closer to MIT–to have people at Sloan do more joint research with our colleagues in science, engineering and planning.

How do you prepare students to operate in a global economy shaped by Donald Trump?
I’m not going to talk about politics. We need to stay focused on providing our students with the very best education so that they can succeed in the turbulent marketplace resulting from the policy shifts that are happening. Let’s address the big problems that affect everybody regardless of political stripe.

But are there particular things you can do to enable students to flourish in that turbulent marketplace?
Well, the motto of MIT is *mens et manus*, mind and hand, and we’re a pioneer in action learning. We’re guided by the idea that students understand better if they get practical experience. Twenty-five years ago at Sloan, I co-founded a course around the local entrepreneur, and some of our students went to Brazil to work with an emerging fast-food pasta chain, Spoleto, that was trying to figure out how to grow. They came back hungry to learn more.

In the face of Trump’s campaign against diversity, equity and inclusion, Black and Latino enrollment at Sloan has dropped sharply this year. Does this give you concern?
Yes, I’d be concerned if there were a decrease of any group. Early anecdotal evidence suggests that it might be because some of our peer schools have more resources to give fellowships. If that’s the bottleneck, then let’s raise a lot of money.

We need to be more creative in how we recruit the best talent, given the new restrictions. We need to make sure people don’t refrain from applying to come here because they don’t think they can afford it. We need to help people understand that the demographics of MIT are different.

There are no legacy admissions here. There are no honorary degrees. The vast majority of undergraduates are on financial aid, and a significant percentage don’t pay any tuition at all. Let’s make sure that we are telling Sloan’s story to people who are going to historically black colleges, to universities abroad and to rural communities in the middle of the country.

Can you relate to these students who think they might not fit in at Sloan?
Yes. For me, working at a place like MIT is a completely unexpected gift. Every single day, I come to work with wonder and happiness. I’m in a world that I never imagined I would ever be in. But there’s a more important question we also have to consider: How do we make sure that, once we have talented people, everyone feels seen and valued for who they are? We don’t want people spending a bunch of energy trying to figure out how to hide or negotiate some part of their identity. When they’re doing that, they’re not fully engaged in the work.

Given the rise of AI, should Sloan be worried about a creeping inhumanity in global supply chains?
No, no! We are watching a disruptive new technology coming in, yes. But we went through this before with automation and robotics. We went through it with computer numerical control. And both times everyone was freaking out about what it was going to do in terms of immiserating and killing workers.

We have learned over the years that it’s not about the technology per se but rather about how it’s being implemented and managed. When it’s managed in a way that complements people’s skill sets and growth opportunities, that’s where you see a big bang. When it’s not, that’s where you see de-skilling. That message has been the same since the 1930s, really, and it’s integral to Sloan. We already teach, and will continue to teach, the value of people, the value of human capital, and how important it is to nurture that in a technological economy. What has to change is the way we deliver the message.

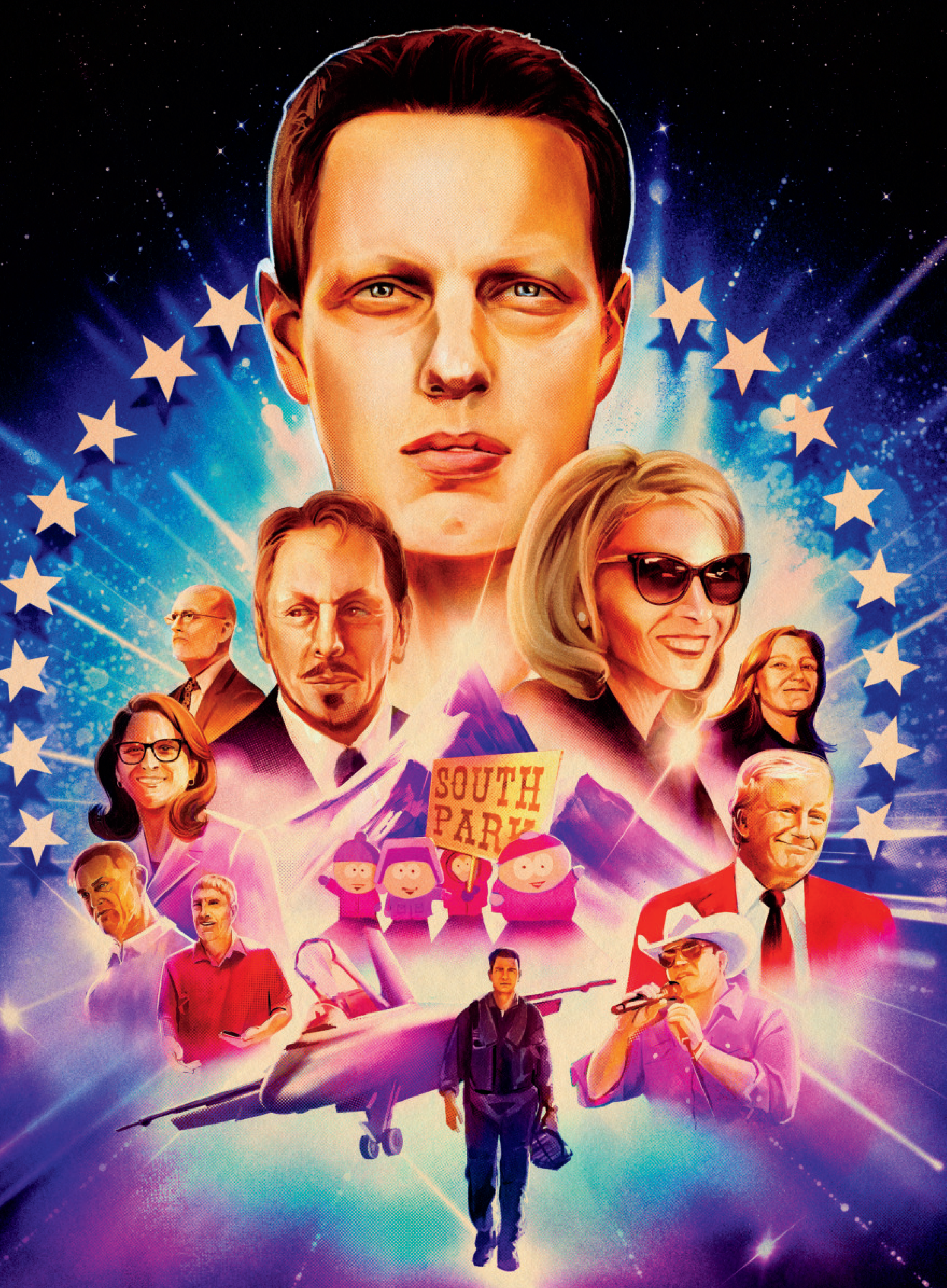
What do you mean?
Young people today don’t want to look at professors as the fountain of all knowledge. I learned this at Apple University. In the morning, I often took the Apple bus from my home in San Francisco to Cupertino. I was by far the oldest person on the bus, and everyone around me was consuming content. They were listening to podcasts, reading short pieces and watching videos, and my insight was that this generation learns in a variety of ways. We need to meet them where they are. We need to offer asynchronous courses as well as in-person ones. We need to make the boundary between the classroom and the real world a lot more porous. Ⓑ

The Screentime Issue

For our third annual look at the business of entertainment, we focus on moguls in the making. There's David Ellison, who's now running Paramount, a storied Hollywood studio that needs a reboot →42. There's Rachel Accurso, aka Ms. Rachel, whose toddler TV empire extends to millions of iPads and beyond →50. There's Jimmy Donaldson, better known as MrBeast; the YouTuber, wildly popular for his elaborate and expensive stunts, now has a few adults around →54. And then there are the guys (well, the new guys) who've been running Enron as part company, part performance art →70.

What do they have in common? Not much, other than being at crucial moments in their careers. If you want to know who the moguls of tomorrow might be, turn to →78 for the directors, execs and others to keep an eye on.

■ PHOTOGRAPH BY TONJE THILESEN FOR BLOOMBERG BUSINESSWEEK ■ PATTERN ILLUSTRATION BY OELHAN


SOUTH
PARK

Paramount's New Top Gun

After two years of drama, David Ellison got his merger with the historic studio. The reward is a company in existential crisis. What's his plan to save it?

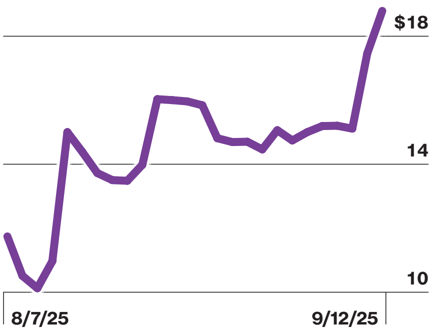
By Lucas Shaw and Hannah Miller
Illustration by Deena So Oteh

On Aug. 13, David Ellison assembled his leadership team on the Hollywood lot of Paramount Pictures, the start of a new era at the 113-year-old studio. “One of our biggest priorities is actually restoring Paramount as the No. 1 destination for the most talented artists and filmmakers in the world,” Ellison said, fiddling with his Oura ring and looking out at the press huddled in the studio’s commissary. Seated at the front of the room, Ellison took questions for the next half hour, deflecting inquiries about his relationship with President Donald Trump while praising CBS News and boasting of big plans for more *Star Trek* and *Transformers* movies. Then he walked offstage for lunch, though he didn’t get to do much eating. As deputies and PR people tried coaxing reporters to interrogate Ellison’s lieutenants, everyone jockeyed for time with Hollywood’s newest mogul.

Recently, Ellison completed an $8 billion transaction that makes him the controlling shareholder and chief executive officer of Paramount, the owner of CBS, MTV and the namesake movie studio. The deal took two years, spanning two US presidential administrations and four Paramount CEOs. Shari Redstone, the previous controlling shareholder, initially rejected Ellison’s outreach, unwilling to part with her family’s prized possession. After Redstone decided to sell, her own CEO and several fellow board members objected to the terms and left. She pushed ahead, only to waffle at the last minute, unsure of whether she wanted to make a deal—or whether Ellison was the right buyer. When they finally came to an agreement in July 2024, that was only the beginning of another drama. The Trump administration would go on to hold up the transaction for months; it approved it after CBS paid $16 million to settle a lawsuit over the editing of an interview with Democratic presidential candidate Kamala Harris.

The Ellison Era Begins

Paramount Skydance’s share price



Ellison never wavered, and the reward for his patience is a company in a decade-long decline. Redstone’s father built his media empire on the cable networks MTV, Nickelodeon and Comedy Central, all of which have shed viewers to streaming services and social media. The movie studio has withered from a lack of investment, losing money for the last two and a half years. And Paramount+, the company’s highest-profile streaming service, is a fraction the size of its peers. People spend less time watching Paramount+ than Amazon, Disney+, Hulu or Netflix—to say nothing of YouTube. Some analysts have argued that Paramount should just shut it down.

In between sips of Diet Coke, Ellison said he had a turnaround plan. Paramount would slash at least $2 billion from its budget by identifying inefficiencies. While Ellison didn’t specify exactly how, the company is about to fire thousands of workers and cut back on programming at its cable networks, according to several people familiar with the company’s thinking. It has also discussed selling real estate and TV networks in Latin America. Yet at the same time, he said he’d invest in an overhaul of Paramount+.

More immediately, he’d been busy: He closed a $7.7 billion deal for exclusive rights to the Ultimate Fighting Championship, lured the creators of *Stranger Things* from Netflix Inc. and negotiated a partnership with Legendary, the studio behind the *Dune* and *Godzilla* franchises. Having time to line up deals “was one of the benefits of a long close,” Ellison told Bloomberg News in August after the UFC deal. “There aren’t many, but this was one of them.” Ellison declined to be interviewed for this article, which is based on interviews with more than two dozen employees and business partners, many of whom didn’t want to be named discussing private conversations.

Everyone in Hollywood wants Ellison to inject fresh energy into the storied studio, part of a company that’s suffered from years of mismanagement and infighting. If he succeeds, he could help revitalize a reeling industry in the process. Tens of thousands are out of work in Hollywood because of the decline of cable TV, productions moving overseas, two labor stoppages and the pandemic. Studios that once defined culture have surrendered their power to interlopers from Silicon Valley such as Instagram, Netflix and YouTube. “It’s very important” for Ellison to succeed, says Ari Emanuel, CEO and executive chair of TKO Group Holdings Inc., a sports and entertainment promoter, and agent to the stars. “Then you have another studio in the system, a company that deeply cares about movies and TV and sports, and another bidder with deep pockets.”

Ellison was born and raised in Woodside, California, a tony town just a few miles from the epicenter of Silicon Valley. He’s 42, making him the youngest CEO of a major media company and the only one who came of age with the internet. He’s new blood in a town run by a gerontocracy. “I’ve been around this business a long time,” says Jeff Shell, Paramount’s president and the former CEO of NBCUniversal Media. “He thinks different, and he talks different.”

Not everyone is so confident. Ellison has no experience leading a company of this scale, and his promises about overhauling its technology are vague. Ellison’s UFC deal stunned rivals, none of whom came close to his offer; Paramount paid the league more than twice as much as it was getting under its previous deals. Before he even took control of the company, Ellison feuded in public with the creators of *South Park*, one of the company’s most valuable assets, over a new contract. Members of his news division are worried that Ellison is going to tilt coverage to the right to placate Trump. The company will be taking prominent Trump critic Stephen Colbert off the air, a decision that was made before Ellison took over. When pressed for details on his plans at the press conference lunch, Ellison fell back on

■ PHOTO: LIA TOBY/GETTY IMAGES ■ PREVIOUS SPREAD: PATTERN ILLUSTRATION BY OELHAN ■ DATA: BLOOMBERG

TOM CRUISE
TOP GUN
MAVERICK

Ellison at the London premiere of *Top Gun: Maverick* in 2022

the same response: “We’re less than a week in,” he said, a bowl of grains, seaweed and cucumber in front of him. “We’re just getting our arms around the company.”

One of the biggest reasons to believe in Ellison may be his last name. He financed the deal with money from his father, Larry—the second-richest man in the world as of mid-September, according to the Bloomberg Billionaires Index—and RedBird Capital Partners, a private equity firm led by former Goldman Sachs Group Inc. banker Gerry Cardinale. Paramount appears to be just the first step in the Ellison family’s vision for a new kind of media giant. On Sept. 11, Bloomberg News reported that the family was preparing a bid for rival Warner Bros. Discovery Inc., according to people with knowledge of the matter. (Paramount and Warner Bros. declined to comment.) Trump has also floated the idea of Larry, the co-founder of Oracle Corp., buying TikTok, a suggestion neither Larry nor Oracle has officially responded to.

Family control of the company allows them to think long term rather than fixate on quarterly results. “Our largest shareholder is the second-richest person in the world,” Shell says. “That seems like a good thing.” David is cagey about discussing his father’s involvement, though Oracle and Paramount are already in talks about a $100 million software deal that would make the media company one of Oracle’s top customers. Larry has avoided the press in recent years, and the deal is structured so David is officially in control. Then again, Larry isn’t worth roughly $360 billion because he’s sentimental.

Larry and Barbara Boothe, David’s mother, divorced in 1986 when David was 3. Boothe encouraged David’s cinephilia, taking him and his sister, Megan, to the theater on the weekends. David, Megan and their mom amassed more than 3,000 VHS tapes; *Star Wars* and *The Terminator* were Boothe household favorites. David interned at Oracle in high school, but he eventually enrolled at the University of Southern California’s School of Cinematic Arts to pursue a Hollywood career. He dropped out.

Ellison has spent his career trying to prove he’s not a nepo baby. A lot of aspiring filmmakers move to Los Angeles to chase stardom. Most of them don’t get to start off by financing and acting in a $60 million movie about World War I pilots starring future Oscar nominee James Franco. Nor do most 27-year-olds get to raise $350 million from JPMorgan Chase & Co. for a production company after that first movie, *Flyboys*, is a box-office bomb. (The names of both his company, Skydance, and the film were inspired by Ellison’s love of planes—he’s been a pilot since he was a teenager.) “When I first started, I got asked all the time, ‘So does he come into the office?’ ” says Dana Goldberg, who joined Skydance in 2010 to oversee its film slate. People, she says, thought Ellison was a “walking checkbook that hung out on fancy boats.”

For the first 15 years of his career, David wasn’t even the most prominent of Larry’s kids in Hollywood. Megan founded Annapurna Pictures LLC in 2011 and financed artistically daring films from directors such as Paul Thomas Anderson, Kathryn Bigelow, Spike Jonze and David O. Russell. These movies earned Megan Oscar nominations, including four for best picture (Bigelow’s *Zero Dark Thirty*, Jonze’s *Her*, Russell’s *American Hustle* and Anderson’s *Phantom Thread*). Annapurna’s largesse quickly turned Megan into the toast of Hollywood. David, in contrast, funded big action movies such →

as *Jack Reacher*, an adaptation of the bestselling Lee Child book series starring Tom Cruise, and *World War Z*, a science fiction thriller starring Brad Pitt. The day before Megan earned her fourth Oscar nomination, for *Phantom Thread*, Ellison's remake of *Baywatch* competed for five prizes at the Razzies, an awards show recognizing the year's worst movies. (It captured just one: The Razzie Nominee So Rotten You Loved It, which is given to the film voters thought was unfairly nominated.)

Megan treated Annapurna like a benefactor of the arts and went to her father when she needed money. David treated his dad like a real investor, raised outside money and hosted regular calls with the board. Larry's friend David Geffen set both kids up with lawyers at one of Hollywood's top firms, Ziffren Brittenham. It was Skip Brittenham who helped Skydance Media secure a deal in 2010 to co-finance movies produced and released by Paramount Pictures. Ellison's first collaboration was *True Grit*, which grossed $252 million and earned 10 Oscar nominations. It remains Skydance's most-nominated film to date.

"There's no question that at first people felt like he was gifted a head start," says Rob Moore, who was then vice chairman of Paramount Pictures. "There was skepticism." There was also reason to believe Ellison wouldn't be around long. Co-financiers such as Skydance typically put up a minority percentage of the budget and have little creative say. The studios use them to offload risk on movies in which they have less confidence. That's why most movie financiers eventually go out of business.

Yet Ellison made it clear that he wasn't just going to write a check. He wanted creative input and targeted the studio's biggest franchises, like *Mission: Impossible*, *G.I. Joe* and *Star Trek*. At the time, the bet on *Mission: Impossible* and Tom Cruise was a risk. The third movie in the series grossed just $398 million, the lowest total in its history. Cruise looked as if he could be a fading star. While Paramount was debating the future of the *Mission* saga, Ellison vouched for Cruise and helped negotiate his deal for a fourth film, *Mission: Impossible—Ghost Protocol*, which grossed $695 million and revived the franchise. Cruise later attended Ellison's wedding, to Sandra Modic, where he won a breakdancing competition. "David believed in Tom more than anyone else at Paramount," Moore says.

Larry, Megan and David

Ellison's strategy was less sexy than his sister's, but it made his business more successful. (Megan didn't respond to a request for comment.) After Paramount reupped its deal with Skydance in 2013, Ellison diversified his company beyond the volatile movie business. In 2014, Skydance expanded into TV, producing *Manhattan*, a drama about the project to build the atomic bomb that aired on WGN America. The show got good reviews, but the network couldn't deliver a big audience. Its next show, the sitcom *Grace and Frankie*, became one of the longest-running hits on Netflix. Skydance began producing a couple of TV shows every year, including both hits (*Jack Ryan*) and misses (science fiction series *Altered Carbon*).

In 2016 the company raised an additional $700 million to expand into video games and animation. Ellison is an avid gamer whose favorite titles include *Assassin's Creed* and *Red Dead Redemption II*. In 2018 he sold a minority stake in Skydance to Chinese technology giant Tencent Holdings Ltd., and two years after that he raised money from RedBird and South Korean entertainment conglomerate CJ ENM Co. The fresh capital let Ellison invest in original movies that weren't for Paramount, namely action films and animation for Amazon Prime Video, Apple TV+ and Netflix.

All things considered, Ellison appeared to most employees and colleagues to be a regular guy. He remained close with a small group of college friends and asked employees about their weekends. He made sure he knew everyone's name. He splurged on his staff—nice offices, holiday parties at the best restaurants, good health care—but exhibited few outward signs of his wealth. He wore James Perse T-shirts, casual elegance that befit a young producer.

Still, he also wore a Richard Mille luxury watch and drove Ferraris and Lamborghinis to the original office in Santa Monica, which was located in a hangar that housed his cars and planes. He and his wife would take a helicopter from the Santa Monica airport to get lunch at a restaurant in Camarillo that made their favorite burger. He was a regular at Nobu Malibu, part of the chain of high-end Japanese restaurants Larry has invested in, and a fixture at Indian Wells Tennis Garden, the facility near Palm Springs his father owns. David liked to tell people stories about learning from Pixar Animation Studios co-founder Ed

■ FAMILY: JORDAN STRAUSS/AP. SOUTH PARK: COMEDY CENTRAL/PARAMOUNT+. MISSION: IMPOSSIBLE: ALAMY

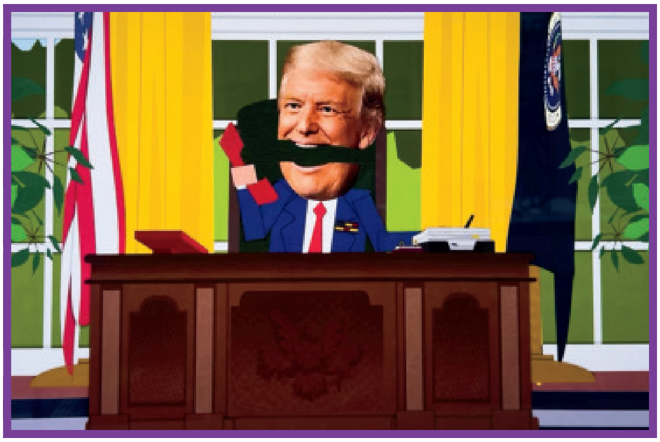
Catmull and Apple Inc. co-founder Steve Jobs. It didn't feel like a name-drop to him: Jobs, in particular, was one of his father's closest friends and a mentor.

Although David rarely mentioned his father—and Skydance employees would avoid bringing him up—Larry made the occasional appearance at a movie premiere and lent his sprawling 230-acre Sensei Porcupine Creek resort for Skydance corporate retreats. The two had been distant while David was growing up, but they became closer when he was a teenager, taking trips around the world on Larry's superyacht. Larry fretted often that his son didn't hire private security to protect him during Skydance's early days. David insisted on appearing normal. "This has from Day 1 been David's company," Goldberg says. "I am not saying they haven't had conversations. But in day-to-day business, it's always David's company."

When streaming services started to pull back on spending in 2022, Skydance, like a lot of large independent production companies, was left exposed. Its investment in gaming hadn't yielded many titles, let alone hits. Its animated movies didn't draw large audiences. It made money producing films and TV shows for streamers but had developed a reputation for making commercially viable projects that were often over budget. Skydance lost more than $80 million in 2021 and posted a narrow profit in 2022. Ellison would need to consider strategic options to live up to his investors' lofty expectations.

In October of that year, he raised $400 million in an investment round that valued the business at more than $4 billion. When Skydance employees discussed the future of the company, they offered three possibilities: It could go public, sell to a larger company such as Apple or buy a studio. Ellison had long had his eye on Paramount. In theory, it made sense: Paramount is a storied studio that means a lot to filmmakers, and it had been Ellison's first home as a producer. It's not as if Walt Disney Co. or NBCUniversal were up for sale. But in reality, it seemed laughable: Skydance was a fraction of its size. With the support of investors, however, including his dad, Ellison started reaching out to Redstone in 2023.

Ellison is now trying to solve a problem that's bedeviled many of Hollywood's sharpest minds. Paramount's cable networks, the foundation of the business, have been losing viewers for a decade. The company was years late to streaming, and its online business isn't profitable enough to offset the falling profits from cable. Ellison could abandon his main streaming services either by selling or merging them. But he didn't buy Paramount to surrender to Amazon, Netflix and YouTube. He wants to win. Ellison described this challenge in aquatic terms at the press conference. Paramount swam to the middle of a lake and wasn't sure how to get to the other side. It's too late to turn back. So how do you get across?



South Park and *Mission: Impossible—Ghost Protocol*

A dramatic corporate overhaul will begin in November, according to the people familiar with the company's plans. In addition to the firings, the people say, the company's main streaming services (Paramount+, BET+ and Pluto), which are running on three technology platforms, will move to one. This, they add, will streamline data collection—and, in turn, improve viewing recommendations, reduce cancellations and make for more efficient marketing. Ellison will shift Paramount's →

"There's no question that at first people felt like he was gifted a head start"

> **“He and his dad speak regularly. His father has full trust in David”**

← relationship with Amazon Web Services, they say, to a cloud computing platform Oracle is developing. “You actually have to make sure that you have tech products that are competitive with some of the best coming out of Silicon Valley,” he said at the press conference. “We want to be the most technologically forward media company.”

Dramatic changes are also coming to Paramount’s programming. Ellison has pledged to increase movie output to 15 titles a year—and, in a few years, as many as 20. Paramount released 10 movies last year and 8 the year before. The company won’t premiere movies on its streaming services, but it wants to use those films to drive customers to Paramount+. He’s also been discussing buying the Free Press, the digital media operation built on Substack by Bari Weiss, a former *New York Times* columnist, according to people familiar with the company’s thinking. Weiss would be a controversial hire at CBS, given her right-leaning politics and active support for the state of Israel, but in Ellison’s thinking, she could infuse new energy into the news division.

Now that he’s CEO of a company with 19,000 employees, Ellison will have to delegate. He’s tasked George Cheeks, a well-regarded TV lifer who was already running CBS and served briefly as Paramount co-CEO, with managing the TV networks. He put the studio in the hands of two old friends, Goldberg and Josh Greenstein, a marketing savant who met Ellison in the early days of his partnership with Paramount. He recruited Cindy Holland, who worked at Netflix for nearly two decades, to run the streaming business. Holland was responsible for many of Netflix’s earliest hits and has strong relationships with filmmakers. The previous ownership leaned on shows produced by Taylor Sheridan, the creator of *Yellowstone*. The Sheridan-verse helped Paramount+ grow to more than 80 million customers. But the service suffers a higher cancellation rate than industry average and accounts for less than 2% of TV viewership, according to Nielsen. (YouTube accounts for 13%; Netflix hovers between 8% and 9%.) Holland wants to make Paramount+ a daily habit for customers. That won’t be cheap.

Even though he’s a billionaire, Ellison doesn’t have the money to fund a media company valued at $30 billion. His father does, but the extent of Larry’s engagement is unclear. Larry hasn’t been involved in the integration of the two companies or strategic planning and has made few requests of management. Safra Catz, Oracle’s CEO, and Paul Marinelli, who leads Ellison’s family office, have joined Paramount’s board. “He and his dad speak regularly,” says Emanuel, who’s advised Ellison for years. “His father has full trust in David.”

Ellison has never been shy about offering an opinion. From the moment he set foot on the Paramount lot, Ellison talked about reviving *Top Gun*. “It was the first movie I said I wanted to make when we signed our original deal with Paramount Pictures in 2010,” Ellison told Bloomberg News in 2022. Paramount didn’t believe in the idea, projecting it would be a box-office dud. Ellison spent years working with Cruise and producer Jerry Bruckheimer to find the right story. *Top Gun: Maverick* became the second-highest-grossing movie in Paramount history, trailing only *Titanic*. It further cemented his partnership with Cruise.

Other interactions haven’t gone as smoothly. Under the terms of the merger, Ellison had the right to approve transactions of a certain size and any changes to contracts with select talent. Earlier this year, the creators of *South Park*, Trey Parker and Matt Stone, accused him of trying to suppress the value of their show. Parker and Stone had been negotiating a new deal with Paramount, as well as a new deal to license their show to streaming services. Ellison intervened; he didn’t want to sign a 10-year streaming deal and thought Paramount was paying Parker and Stone too much.

The *South Park* guys’ sense was that Ellison had overstepped, and they later mocked Paramount’s settlement with Trump in the first episode of the new season. (Paramount, Parker and Stone resolved their differences.) Ellison also intervened with Taylor Sheridan, the company’s biggest hitmaker. Warner Bros. had decided to produce a movie Sheridan wrote before he worked at Paramount. Ellison asked about securing distribution rights for Paramount in certain markets. That made Sheridan uncomfortable, according to two people familiar with the negotiations. Although Paramount leadership didn’t love the idea of Sheridan spending time working on a project for someone else, they agreed. (Sheridan didn’t respond to a request for comment.)

It’s easy to dismiss these contretemps as the result of a trying and drawn-out merger. “He’s a very artist-friendly executive,” Emanuel says. “He wants to be in business with artists who have a voice.” Ellison has publicly praised Sheridan, Parker and Stone, and this season of *South Park* has been its buzziest in years. The show has mercilessly parodied Trump, including animating him in the nude and depicting him as Satan’s lover.

Ellison’s refusal to pose for photo shoots or grant exclusive interviews suggests he’s learned from others’ mistakes. He knows that, even with the industry wishing him success, he faces a steep challenge. He’s not taking a victory lap before he’s accomplished anything, like Warner Bros. Discovery CEO

■ KYLE GRILLOT/BLOOMBERG

The Paramount lot in Hollywood

David Zaslav did. (Zaslav posed for a *Vanity Fair* cover story that hailed him as the new king of Hollywood months before his acquisition of Warner Bros. closed. Then he laid off thousands of people.) Nor is Ellison claiming to have a formula guaranteeing a movie's success, as many bankers and technologists who arrive in Hollywood say they do. He's fond of saying the best idea wins—it doesn't matter who proposes it, or how the company operated in the past.

Trump nearly derailed Ellison's life-changing deal, and Ellison is eager to put those controversies behind him. As CBS struggled with how best to resolve its lawsuit with the president, Ellison spoke with Trump at a UFC match. Emanuel, who's represented Ellison and Trump at various points, sat nearby. Ellison wasn't directly involved in mediation talks, nor was he supposed to talk about them, and it's not clear what was said. Trump has since said he has a "side deal" with Ellison for $20 million in advertising and public-service announcements to promote causes he likes. Ellison has said that he wasn't involved in the settlement in any way, and that Paramount followed antibribery laws.

Ellison wants to declare Paramount open for business and a home for artists. He has pushed employees to adopt the mantra "Let's f---ing go." Many employees have taken to signing their emails "LFG," or "LG," if they want to censor themselves. In early September he signed a deal with Westbrook, Will and Jada Pinkett Smith's entertainment company, to develop franchises. And he told employees that, starting next year, they'd be expected back in the office five days a week. But nothing captures Ellison's ambition better than his interest in Warner Bros. Less than two months after swallowing one ailing media giant, he's now looking to take down another worth twice as much. Combining Warner Bros. and Paramount would put Ellison in charge of two of Hollywood's oldest studios and dozens of cable networks, including HBO, and potentially give him the scale to compete in streaming.

What he doesn't want is to politicize things, though that might be hard. Paramount said it will no longer edit interviews on its CBS News show *Face the Nation*, following criticism from the Trump administration, and it has hired the former head of the conservative Hudson Institute as an ombudsman for the network. At the press conference, he said, "We're an entertainment company first." Everyone—left, right, young, old—is its audience: "I'm not going to be in the position of making political statements about anything." Ⓑ

Becoming Ms. Rachel

The toddler whisperer is far more than just a streaming sensation, thanks to her bestselling books, a hit toy line and an activist turn

By Aisha Counts and Felix Gillette
Photographs by Amy Lombard

In late summer, Rachel Accurso, a YouTube star with more than 16 million subscribers, was putting the finishing touches on her next video. As always, Ms. Rachel, as she's known to her fans, was collaborating closely on the project with her husband, Aron. Whatever they put online, the Accursos knew, would get devoured by vast numbers of riveted youngsters. They wanted it to be exceptionally good.

Often their videos dig into a single topic. This time around they'd be exploring the nature of friendship. Specifically, what does a friend look like? Their answer would be simple and instructive: A friend can look any which way. "They can have any type of hair, they can have any color skin," says Accurso. "It can be brown, it can be peach." A friend could even be Palestinian.

Months earlier the Accursos had met a 3-year-old girl named Rahaf Saed, who'd lost both of her legs in an Israeli airstrike in Gaza. Now, Rahaf would be starring with Ms. Rachel in the friendship episode, along with an ornately diverse cast of other children. "We want to show that Rahaf is a wonderful friend of mine," Accurso says.

Before making a new video, the Accursos do a lot of research. For this one they'd hired a team that included a Palestinian writer and an academic expert on how children perceive race. "I never go into something like this without Black writers and race and diversity consultants," Accurso says.

It's a highly conscientious approach to making online videos that, at first glance, can sound almost too earnest for the shoot-from-the-hip, just-asking-questions, brain-rot internet culture of 2025. But over the past six years, the Accursos have succeeded at building one of the most influential brands in children's media. Their YouTube channel has amassed more than 12 billion views. They have a licensing deal with Netflix Inc., several bestselling books and a toy line that's sold at Target and Walmart.

Amid a boiling hellbroth of overstimulating clips and artificial intelligence slop, Ms. Rachel offers something rare: calm, educational content that even the most screentime-conscious parents can get on board with. In a typical 20- to 60-minute multi-segment video, Ms. Rachel stands in front of colorful backgrounds and teaches her audience about animal sounds or concepts such as feelings by using songs, simple animation and short clips of real kids. Many episodes feature puppets, like her orange friend, Herbie, who wouldn't look out of place on *Sesame Street*. Her videos move slowly and directly address the viewer, creating the feel of a FaceTime call with a favorite preschool teacher.

On camera, Ms. Rachel, who's 42, wears a consistent uniform: a pink T-shirt beneath a pair of denim overalls with a pink headband holding back her dark hair. Throughout the episodes, she is joyful and encouraging, giving off the bright, enchanting aura of a lightning bug steering a choo choo train through a moonscape made of marshmallows.

Naturally some corners of the internet have come to despise her. As Ms. Rachel's viewership has risen, so has Accurso's public profile. She's used her fame to draw attention to issues affecting kids, and her recent advocacy for children in Gaza has ignited fierce debate among her social media followers and in the media. Accurso has never been more popular or successful, or as controversial.

Her success comes at a time when public broadcasting in the US—long a source of free, educational programming for kids—has seen much of its funding slashed by conservatives in Washington. Accurso is an outspoken devotee of vintage PBS programming, particularly *Mister Rogers' Neighborhood*. Admirers often position her as the fading medium's natural successor.

In a streaming era dominated by laissez-faire tech platforms rather than rigidly controlled TV networks, what she and Aron do next with their growing clout will be a crucial litmus test for children's entertainment. The new system has already proven entirely hospitable to voices of misinformation, conspiracy and hatred. What remains less clear is whether it can sustain one dedicated to thoughtfulness and acceptance.

Accurso was raised by a single mother in Springvale, Maine, a town in the southern part of the state. In 2009, when she was in her early 20s, she watched a video of a performance by a New York City public school youth choir and felt inspired to move to Manhattan.

The following year she met Aron at a Unitarian Church in the city. In the years that followed, Accurso earned a pair of master's degrees—focused on music education and early childhood learning—and worked as a music teacher at a preschool in the Bronx. Aron continued to build a musical career on Broadway, working for major shows including *Sister Act* and *Aladdin*.

In 2018 the couple had their first child, a boy named Thomas, and Accurso began teaching a music class to fellow new mothers. On the side she set up a YouTube channel and uploaded videos drawn from her lessons. "Music is so wonderful for development, and it teaches gestures and bonds you with your child," she says.

When Thomas started showing signs of a severe speech delay, Accurso scoured the internet for videos that might help. But what she found was mostly disappointing. She and Aron decided to try to make something better.

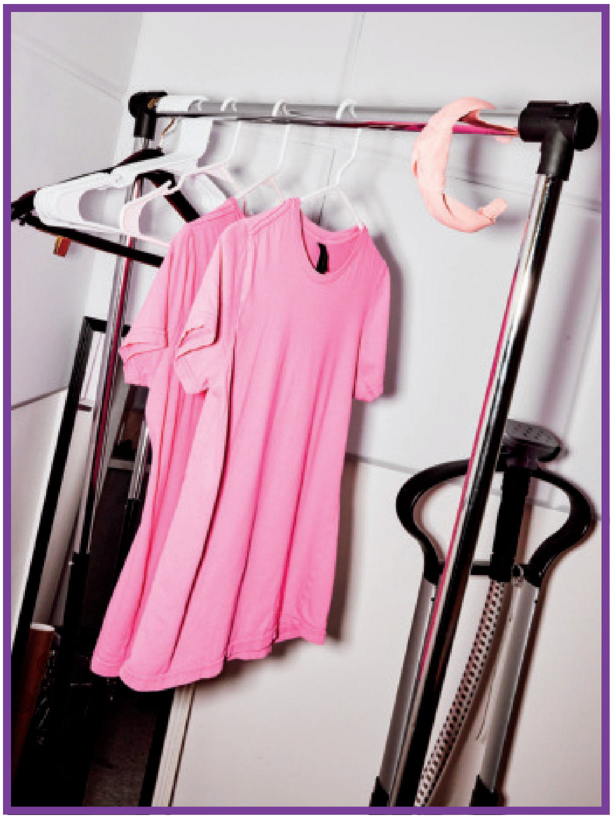
Filming against a green screen they'd bought on Amazon, the couple began shooting short videos a few times a month. Initially they focused on creating material that would get Thomas to talk, incorporating music and speaking slowly so he could observe and mimic sounds. Aron helped write the songs and voice the puppets, and he edited the resulting content.

About a year after starting their YouTube channel, Covid-19 hit, forcing everyone inside. Almost overnight, their passion project took center stage. With day care and schools shuttered, parents everywhere were suddenly desperate to find anything their kids could watch unsupervised while they scrambled to cram in a few manic bursts of work. →

← YouTube offered a near-endless supply of free videos that appealed to toddlers. But much of it was materialistic, stultifying junk. In one particularly popular genre, known as unboxing videos, creators of all ages would mesmerize young viewers by opening package after package of desirable toys.

As the months passed, a growing number of families turned to Ms. Rachel for shelter, often discovering her via word of mouth. Michael Palmer, a web video strategist who works with YouTubers to improve their business, heard about the channel from his wife, who in turn had heard about it from a mommy-and-me play group. Curious, Palmer fired up some Ms. Rachel videos for his daughter and was impressed by the engaging programming, which struck him as notably less frenetic than the jittery, revved-up style he was accustomed to seeing on YouTube. Afterward he reached out to the couple, and soon he was helping the Accursos upgrade their production equipment and hone their strategy.

> **“I am in my advocacy era right now”**



Ms. Rachel’s signature look includes a pink T-shirt and coordinating knotted headband

“They were both very new to YouTube, and they had a ton of questions about how does this work?” Palmer says. “Of course they wanted more people to watch. So how do we optimize things, production-wise?”

With Broadway shut down and its workforce largely idle, the Accursos were able to tap into Aron’s professional network to help make their programming better. “It’s just so cool being in New York City and having the Broadway community,” Accurso says. “They’re the best of the best, and Aron knows them all.”

Over time their simple sing-along videos evolved into a variety show of sorts. While Ms. Rachel was the primary performer, Aron, who enjoyed goofing around on camera, appeared frequently in a supporting role, going by Mr. Aron. “I like being silly,” he says. By the end of 2020, Ms. Rachel’s videos had exploded to 22 million views, according to Palmer.

“She speaks to children in a way that allows them to feel like they are being heard,” says Katie Kurtz, YouTube’s global head of youth and learning. “She’s very deliberate in her waiting. She’ll speak, she’ll pause, so that they can kind of communicate back.” The tactic has captivated a generation of young watchers.

It didn’t take long for the rapid growth to attract the attention of potential suitors in the media industry. The ensuing conversations, however, didn’t go particularly well. “I would get out of a meeting where nobody mentioned education,” Accurso says. “It was a meeting about ‘being a franchiser,’ words that don’t excite me.”

Instead of selling their channel, they decided to go it alone and build an independent media company, ultimately enlisting Ally Shuster, a New York-based agent with Creative Artists Agency, to help them find partners who better jibed with their worldview. “It’s not all about building and making the most, just to be bigger and bigger and bigger,” Accurso says. “It’s about having opportunities to serve others.”

On average, kids today spend about four hours a day watching screens, according to the American Academy of Child & Adolescent Psychiatry, which warns that too much of the wrong type of content can lead to developmental problems. Mindful of the ever-present hazard, the Accursos looked for opportunities to engage with children beyond the digital realm.

Last fall the Accursos published their first children’s book, *Ms. Rachel and the Special Surprise*, which is filled with speech milestone tips for children. In the first week the book sold 60,000 copies, becoming an instant *New York Times* bestseller and setting the single-day preorder record for their publisher, Random House Children’s Books. Since then, Ms. Rachel has published six more books, covering subjects such as potty training and emotional expression, which she and Aron write themselves.

Last year the Accursos also launched a line of toys with Spin Master Corp., the children’s entertainment company behind the popular animated series *PAW Patrol*. The toys range

■ RAHAF: COURTESY SUBJECT

from puzzles to minicars to learning aids; one singing doll is modeled after Accurso's likeness. "It's all developed with Ms. Rachel and a team of child development experts to support development through hands-on, skill-building play," Laura Henderson, a Spin Master executive, said in an email.

Meanwhile, in January, the Accursos announced a licensing deal with Netflix that has so far brought eight new episodes of *Ms. Rachel* to the service's more than 300 million subscribers. Since first airing, the show has consistently been one of Netflix's top 10 most watched shows globally.

Elsewhere, Ms. Rachel is now routinely rubbing elbows with Elmo. Over the past year she's starred in a series of videos with the famous Muppets of *Sesame Street*. This would be a big deal for any children's performer, but it has special resonance for Accurso: Once when she was in her 20s, she applied to be an intern in the writing room at *Sesame Street*. She didn't get the job.

In the years since then, Sesame Workshop, the nonprofit behind the long-running show, has been struggling to adapt to the streaming age, cutting costs and laying off staff. Accurso is now perfectly positioned to help bolster the illustrious Muppets with a fresh generation of viewers on YouTube; the show's library will arrive on the video-sharing site early next year. It's an improbable story that can sound, when Accurso describes it, like something out of a fairy tale.

"Dancing around with Elmo and Cookie and being silly and happy," Accurso says. "All our dreams have come true."

In April the Accursos announced the recent arrival of their second child, a daughter named Susannah, born through a surrogate. Each day of their lives in New York is now a juggling act between their growing business and family.

Even as Ms. Rachel's audience has ballooned, the Accursos' media company, Songs for Littles, has remained small. Currently it employs fewer than 10 full-time staffers, plus a few freelancers who work on animation and visual effects. The couple declined to say how much money their company is generating. *Forbes* estimated recently that it's bringing in $23 million annually.

These days, Accurso prefers to let Aron handle more of their business affairs, things such as trademark negotiations and taxes. In turn she's spending a growing amount of time on activism. "I am in my advocacy era right now," she says. "I'm passionate about children's human rights, hunger, housing."

While her YouTube channel is a space for kids, social media is a place for her to communicate with their parents and other adults. On her Instagram and TikTok accounts, Accurso regularly talks about her Christian faith and speaks up about current events that affect children. She posts almost every day, increasingly about Gaza. Her feed includes footage of bombing sites, reposts from activists working in the region and graphic images of young people suffering. "If you think Jesus approves of the starvation of Gaza, you need to re-read your Bible," she wrote in a post on Instagram in August.

Her activism has caused a backlash. The advocacy group StopAntisemitism accused Accurso of ignoring the suffering of Israeli kids and urged US Attorney General Pam Bondi to investigate whether she has ties to Hamas—despite Accurso's having posted in support of Israeli children, including those who were taken hostage by Hamas, and condemned antisemitism. On social media, various conservative pundits have attacked her for featuring a nonbinary performer on her show and for wishing a happy Pride Month to her followers on TikTok.

Accurso says her advocacy for Palestinian children hasn't shrunk her audience, nor has it damaged any of her business relationships. "I think we made clear our positions and that, if anyone had a problem with how we want to advocate for people," she explains, "they don't have to work with us."

Despite the harassment and threats she's received, Accurso recently sat for interviews with CNN and *PBS News Hour* to talk about the plight of Gaza's children. Over the summer she advocated for kids suffering from famine in Sudan and orphans in Uganda. Not long ago, she and Aron met with the World Food Program USA, an organization that provides food assistance to places where kids are suffering most, and pledged $1 million.

Rahaf, a 3-year-old Palestinian amputee, with Ms. Rachel

The Accursos plan to keep expanding their empire, online and off. Among other things, they're interested in writing movies and putting on live shows. Right now they're working to bring some of their most popular songs to streaming services such as Apple Music and Spotify. They're also planning to launch a line of training pants with a diaper company. "We're not, at this point, looking to slow down or exit," Aron says.

While there are some obvious downsides to a successful career as an online creator—including the drudgery of endless self-promotion and constant menacing from rage-mongers online—there are some underappreciated benefits as well. "What's been amazing about being independent," Accurso says, "was that this was our company and our choice."

If she wants to make a show about friendship and diversity and include a young amputee from Gaza, who can stop her? "In the creator economy, there's this autonomy," Accurso says. "You can keep your morals and ethics." Ⓑ

Can

Grow

Beast Industries CEO Jeff Housenbold, with Jimmy Donaldson, aka MrBeast

By Lucas Shaw

Photographs by Sinna Nasseri

MrBeast

Up?

The YouTube star known for outlandish stunts is making his most audacious move yet: Bringing in the adults. Can they help him turn his media business into an entertainment empire?

In early August, a seven-person team is on the ground floor of Beast Industries in Greenville, North Carolina, studying how to light water on fire. This has been going on for a few weeks. Lead producer Maddie Montana has already identified the essentials—propane to fuel the fire, a conduit to funnel the fire to the water—and is now penciling out the cost of a propane tank, PVC piping and cement. When Jeannot Szwarc filmed *Jaws 2*, their research has revealed, the crew poured oil directly on the water and lit it on fire. That's not the way it's done anymore—it's too dangerous. Montana's team is sensitive about revealing too much; all she'll say is that she needs to be able to control the blaze for a video titled *Would You Risk Burning Alive for $500,000?*

The idea for the video began, as they all do, with a title and a thumbnail, the small photo that appears above the title on YouTube. (Beast employs more than a dozen people who produce thumbnails.) Then the creative team refined the concept, debating whether it should involve multiple contestants or only one, as well as the right amount of money to give away, before handing it off to Montana's team to execute. A former film major in her mid-20s, she must deliver multiple scenes for the video, all of which are written on a whiteboard that covers one wall.

Montana's priority is to make viral videos—"banger content," in company parlance. The average one posted to its main YouTube channel (there are others for gaming, etc.) gets almost 250 million views within a year of being uploaded. But with less than two weeks to finalize plans, Montana has one main concern: "I like to be on time." She'll have 10 days to shoot in mid-August, most of which she'll use to test that each scene will work as planned. For this video, the contestant—ultimately, they settled on one—will have to brave seven challenges to capture the prize, including one in which they're launched 80 feet in the air; the whole thing is expected to cost about $2.6 million. "So as long as everything's on time, we're good," she says. "I test, I fix, I shoot."

If you haven't heard of Beast Industries, or if watching people potentially burn alive isn't your thing, perhaps you've heard of the company's namesake founder, MrBeast, a 27-year-old whose real name is Jimmy Donaldson. YouTube is the most popular place to watch videos in the world, and Donaldson is its biggest star. His main channel has more than 430 million subscribers, more than the population of all but two countries.

The content is similar to that of reality competition shows such as *Fear Factor* or *Survivor*, but it's tailored to the short attention spans of the internet. Donaldson begins each video by shouting the premise to hook the viewer and dangling a huge reward or twist, typically a large cash prize, to keep people watching. A recent example: "I just bought this luxurious private jet, and if this pilot can spend 100 days trapped inside, he keeps it!" A clock at headquarters gives a live update of the subscriber count, which grows by the minute. Donaldson's channels across YouTube, Instagram, TikTok and X reach more than 1 billion unique viewers every 90 days, the

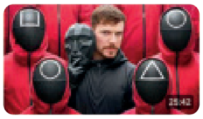
Donaldson awakens from a nap at Housenbold's apartment in New York company says. “There’s literally not a single company that’s ever existed in the universe that can consistently turn out videos that get over a hundred million views,” he says. “The YouTube channel is truly a one-of-a-kind machine.”

Donaldson’s 6-foot-5 frame is splayed out on a couch in his office on the second floor of the Beast building. The all-white room has a private bath and a bed where Donaldson often sleeps. A Steve Jobs poster with the “Think different” tagline adorns one wall, opposite a big TV. An admirer of Jobs and Elon Musk, Donaldson wants to build a multibillion-dollar business empire.

So far he’s leveraged his fame to sell chocolate bars, snack kits and digital tools to help other content creators go viral; in the next few years, he plans to build an animation studio, create a video game platform and write a thriller with author James Patterson. (The novel, which prompted a bidding war among publishers, will center on “an extreme global contest,” according to the *New York Times*.) In this way, Donaldson is part of a larger orbit of content creators building businesses: Dude Perfect, a quintet of Texas trick shot artists, is building an entertainment complex that will include a 330-foot trick shot tower, mini golf and restaurants. Alex Cooper, who hosts the *Call Her Daddy* podcast, started Unwell, a drink brand and podcasting network. Logan Paul, a YouTuber turned podcaster and wrestling star, co-founded Prime Hydration LLC, an energy drink company that did about $45 million in sales last year. He’s also Donaldson’s co-investor in the snacks business.

Donaldson is operating at a greater scale than his peers. Beast Industries employs about 450 people, more than 300 of whom make videos. Another 100 work on the chocolate business, Feastables, and dozens work on the snack company, Lunchly LLC, and the software company, Viewstats. Beast generated about $450 million in sales last year, evenly split between the video operation and Feastables. Yes, Donaldson pulls in more than $200 million a year in dark chocolate sea salt bars and peanut butter cups, a business projected to double in size in the next few years, according to pitch documents sent to investors. Feastables vending machines are scattered around the offices, and posters remind employees to incorporate product placements in videos. “We are able to generate the demand,” he says. “I’m not going to act like I knew all this data when I went into it.” The division, which is run out of Chicago, was projected to generate more money this year than the media operation, and it’s the model for newer initiatives that bear Donaldson’s name but don’t require his daily involvement. Beast was valued at $5.2 billion last year in a fundraising round led by Alpha Wave Global LP, an investment firm tied to the United Arab Emirates. He’d like to take the company public in the next few years.

MrBeast’s top five performers on YouTube



$456,000* Squid Game *In Real Life!
873m views
November 2021

Last to Leave Circle Wins $500,000
532m views
August 2021

World’s Most Expensive Flights!
513m views
April 2023

$1 vs $1,000,000,000 Yacht!
493m views
June 2023

$1 vs $100,000,000 Car!
480m views
September 2023

Right now, however, Beast Industries is hemorrhaging money. It’s had three years of losses, including more than $60 million in 2024. The viral videos account for all of it, overwhelming the profits from Feastables. Donaldson has been spending between $3 million and $4 million on every video he produces for the main YouTube channel, most of which lose money. In 2023, Beast spent $10 million to $15 million shooting videos it never released to the public because they weren’t up to its standards. He also lost tens of millions of dollars producing *Beast Games*, a popular show for Amazon Prime Video in which 1,000 people competed for $10 million by, among other things, moving a 10,000-pound boulder.

Last year he brought on a chief executive officer to help professionalize his operation and reduce costs. Jeff Housenbold, 55, spent three decades in Silicon Valley, doing stints at eBay Inc. and media company Shutterstock Inc. before joining Beast Industries. He’s worked at 22 companies, sat on 44 boards and invested in more than 100 businesses, and he’s not shy about saying he hit pause on a comfortable existence in Northern California with three kids who grew up on MrBeast. In the Beast office, he talks about targeting more than $100 million in savings to turn the company from a high-growth startup into a profitable enterprise that can live for decades. He compares Beast to Uber Technologies Inc. and DoorDash Inc., two companies he invested in and advised. Housenbold “actually built, scaled and ran companies that have done billions in revenue,” Donaldson says. “I’ve never had a leader like that.”

Housenbold pitches MrBeast as the company’s Mickey Mouse and says the goal is to turn Beast Industries into the Walt Disney Co., a diversified entertainment conglomerate. “There’s such a bigger opportunity here than just being a YouTuber,” he says. “Jimmy will always be the cornerstone, but Jimmy doesn’t scale. He already filmed 26, 27, 28 days a month.” Housenbold envisions building out a MrBeast cinematic universe, and he’s put together a writers room that’s sketched out a “world bible”—the backstory. He’s reluctant to share many details but says they’re developing seven or eight characters from a fictional planet that will inspire an animated series, a comic book, a TV show and toys. And though the Disney comparison is flawed, it’s not insane: Every entertainment company wants to be ➜

■ MRBEAST/YOUTUBE (5) ■ PREVIOUS SPREAD: PATTERN ILLUSTRATION BY OELHAN

← Disney, and none are. But Donaldson has more followers than almost any person or company on Earth, letting him drive fans to whatever he's selling. He's even flirting with opening a theme park.

The channel now known as MrBeast began as MrBeast6000, Donaldson's pseudonym while playing games on Xbox at home in Greenville. Although he was barely a tween at the time, he was already entrepreneurial. In between posting clips of himself playing *Minecraft* and *Call of Duty*, he'd upload videos such as *How Much Money Does PewDiePie Make?????*, in which he analyzed the economics of YouTube's top creators. PewDiePie was then the most popular creator on YouTube; his gaming videos were sprinkled with the juvenile humor and commentary that attracts one of its core demographics: tween and teen boys. Donaldson calculated the number of views PewDiePie got per day, subtracting from those the 40% of videos that likely had no ads because of ad blockers and viewership on mobile phones. (At the time, YouTube didn't make money from mobile viewership.) He then multiplied that sum by the average ad rate and deduced that YouTube's biggest star was bringing in about $400,000 a month.

Donaldson was dabbling in online side hustles, buying knives from China and selling them at five times the price. These early experiments in arbitrage almost gave his mom, Sue, a heart attack. "What if someone kills someone with a knife?" Donaldson says she asked him. So he focused on YouTube and had his first viral hit with an almost 24-hour video in which he counts from one to 100,000. It previewed what would become the magic formula. It has a catchy title—*I Counted to 100,000!*—and is built around a stunt that's both absurd and intriguing.

By 2016, with high school coming to an end, Donaldson knew he wanted to be a YouTuber. But he enrolled at East Carolina University, in Greenville, at Sue's insistence. Donaldson wasn't yet making enough money from YouTube to support himself, but he was obsessed with a topic he couldn't learn in a classroom: virality. He and his friends watched the most popular YouTube videos and analyzed why they were successful. He's since codified his precepts in a 36-page memo, leaked online by former employees, titled *How to Succeed in MrBeast Production*. "I spent basically five years of my life locked in a room studying virality on YouTube," Donaldson writes. "Some days me and some other nerds would spend 20 hours straight studying the most minor thing—like, is there a correlation between better lighting at the start of the video and less viewer drop off." (There is.) He dropped out of college after a semester.

The chronic loss of money notwithstanding, much of the MrBeast strategy boils down to "Less is more." Rather than produce 100 videos and hope one hits, he makes one video that he expects will get as many views as possible. In 2018 he decided to buy a $12,000 car for his stepdad—with coins. He intended to withdraw 1.2 million pennies from the bank, but after realizing there might not be that many pennies in all of North Carolina, he included nickels, dimes and quarters, which he and his friends hauled to a local dealership in wheelbarrows. Donaldson grabs the viewer by injecting doubt about the mission: Surely, the dealership wouldn't accept $12,000 in coins, right? But it did, and Donaldson settled on a 2014 Jeep Patriot with 98,000 miles. If a video works—this one got 26 million views, which was a lot seven years ago—Donaldson re-creates it with a twist, such as buying a $17,500 Chevy Camaro with $1 bills.

Many of Donaldson's videos have a philanthropic bent, which is a priority for him and Sue, a retired lieutenant colonel in the US Army who, she says, pushes her son to be "a positive role model." In one, he tipped pizza delivery guys hundreds of dollars when they dropped off pies, ultimately giving out about $10,000. He repeated the stunt with Uber drivers. In another video, he took $30,000 from a sponsor and gave it to a random Twitch streamer. He gave 3 million pennies to his 3 millionth subscriber. Productions grew more elaborate, with Donaldson developing regular formats such as the "trapped" video (*I Spent 50 Hours in Solitary Confinement*). By late 2020 he had more than 35 million YouTube subscribers, mostly males age 12 to 24, and was spending about $300,000 per video.

As Donaldson became the most famous YouTuber, he began exploring other businesses. In 2020 he teamed up with Virtual Dining Concepts on MrBeast Burger, a hamburger chain that primarily operated out of ghost kitchens. A year later, he started Feastables. Growing up with Crohn's disease, he was sensitive to unhealthy, mass-produced foods, but he also saw an opportunity in promoting hamburgers and candy to a highly receptive audience. Chocolate,

$5,000,000
$5,000,000

A scene from *Beast Games*

■ BEAST GAMES: PRIME VIDEO. FEASTABLES: RICHARD B. LEVINE/ALAMY

> **Donaldson was convinced if you came from a traditional background, you wouldn’t understand the Beast way**

in particular, seemed to him a category he could monetize with a better product and Beast-style aesthetics, which lean to light blue and pink.

In 2022, Donaldson moved into his current headquarters on a 140-acre lot in an office park on what was once farmland. It was supposed to house everyone at the company, but Beast outgrew it in four months. He spread his crew across six or seven different locations in Greenville, including a 15,000-square-foot former church now known as studio A, which is where he shot his most watched video to date (873 million views), his take on the Netflix Inc. hit *Squid Game*. To fund the rapidly expanding operation, Donaldson raised money—$195 million total in two rounds, which put the value of Beast Industries at $1.5 billion. In early 2024, as he was raising yet more money, venture capitalist Chamath Palihapitiya, who’d led the first round, introduced him to Housenbold, who had an investment fund and was a CEO coach.

Donaldson had long resisted hiring anyone with too much business experience. He was convinced that if you came from a traditional background, especially Hollywood, you wouldn’t understand the Beast way. He targeted people with a passion for YouTube and tried to clone himself by training them personally. Many employees started working at Beast Industries in college and never left. The general manager of the main channel, Will Fowler, started as a producer, and the head writer on *Beast Games*, Kyle Bennet, is a former production assistant. Almost everyone was hired by Kara McCloud, who joined the company in her mid-20s after managing Waffle House restaurants.

“I was very much bringing in younger people who thought different,” Donaldson says. “The problem there is then you don’t have the experience, and you make a lot of mistakes that everyone’s made before, and it wastes time and money.” In other words, his strategy worked in certain parts of the operation, but not in others. Housenbold says, “We had people who had absolutely no experience and had no idea what they were doing.”

The strain of responsibility wore on Donaldson and the company. He was not just the star of every video but the de facto CEO of every division. MrBeast Burger was first conceived during the pandemic as a way to give struggling restaurants a potentially popular menu item. But as it grew into a chain serving thousands of locations, customers complained. Donaldson sued his business partner, Virtual Dining Concepts, in 2023, claiming people got orders that were “delivered late, in unbranded packaging, fail to include the ordered items, and in some instances, were inedible.” (The lawsuit is ongoing. VDC said at the time that it was “riddled with false statements and inaccuracies.”) In 2024 a former employee accused Donaldson of faking giveaways and sourcing Feastables ingredients from suppliers who used child labor. Donaldson denied the claims and says he’s building an ethical supply chain for chocolate.

MrBEAST
FEASTABLES
PEANUT BUTTER

The chocolate business pulls in $200 million a year

As Donaldson shopped a TV show to Hollywood, many buyers, including Netflix, balked at the cost and his ownership demands. Most streaming services insist on owning a show unless it’s produced by a major studio, and even then they seek long-term control. But Amazon.com Inc., looking for a hit to draw attention to Prime Video, committed to spending $100 million on the first season of *Beast Games*, about $10 million per episode, and ceded ownership. Making the show was a new experience for Donaldson. He says Beast went over budget on it because of mismanagement, inexperience—and his decision in the season finale to double the prize to $10 million.

In the months before the release of *Beast Games*, YouTuber Rosanna Pansino, until then best known for the baking show *Nerdy Nummies*, posted several videos accusing Donaldson of overseeing inhumane working conditions on set. Separately, a few contestants sued Donaldson and Amazon, making a wide array of allegations about the production, including a lack of food and medical care, and sexual harassment. Neither Donaldson nor Amazon commented at the time; he said later on X that the allegations were “blown out of proportion,” without specifying which ones. The suit—whose plaintiffs haven’t been named publicly—is ongoing, though Beast and Amazon have asked the court to dismiss the case, which they say has no merit. A spokesperson says Donaldson attempted to contact every contestant on the show and spoke with hundreds who →

Donaldson in New York; "I don't want to be the main character of every show," he says

← said they'd compete again. Amazon declined to comment for this article.

Donaldson spoke with Housenbold for the first time from a Walmart in Greenville; he was checking on the supply of Feastables, something he does regularly. He invited Housenbold to visit, and they spent much of their time together discussing how to expand Feastables to Australia, which seemed like a strong potential market for the line. Housenbold was impressed by Donaldson's interest in data, his ambition and his unmatched audience, which would reduce the cost of acquiring customers for new businesses. He was slightly alarmed, however, by the team's discussion of a Feastables promotion that potentially included dropping Lamborghinis on a to-be-determined iconic Australian venue. "I watch a bunch of kids Googling 'What are the most iconic sites in Australia?'" Housenbold says. While the Beast team researched the weight of the average Lamborghini and how big a parachute would be required, Housenbold asked if they had permission to fly in Australian airspace. They didn't. Housenbold offered to call Caroline Kennedy, then the US ambassador to Australia, though he wound up not doing so. (A promotion in Australia with Lamborghinis did happen, but they weren't dropped from the sky.)

"At the end of 20-something hours with Jimmy, I'm like, 'OK, this was fun,'" Housenbold recalls. "I get in the car to drive to the airport, and he calls me and goes, 'I was thinking, can you come back and meet my mom?' And I was like, 'Why?' He's like, 'You should just come meet my mom.' So I spent a couple hours with Sue. I miss my flight."

Despite her initial misgivings about Donaldson's profession, Sue has since embraced it. She's collected memorabilia from most of his major videos, including a big doll from the *Squid Game* shoot, and houses all of it in a warehouse the staff calls the MrBeast Museum. Working in the offices every day, she's the ultimate arbiter of who spends time around her son. Housenbold passed the Sue test, which begins with not trying too hard to impress her or boast about your private plane. (Donaldson, whose majority stake in the company brings his net worth to at least $2.5 billion on paper, still flies commercial most of the time.) "We're just humble people," she says. Donaldson hounded Housenbold for the next few days, inviting him to come hang out again, which Housenbold did. Donaldson eventually told him what he really needed: someone to help run his business.

In a conference room on the second floor of Beast Industries, *Shrek* plays on a TV in the background. A security guard sits along the wall, watching a dozen young adults around a table flatten out $1 bills. Donaldson gives away such large sums of money in his videos that he withdraws millions of dollars in singles from the bank. His team then crumples the bills to create a mountain that looks more impressive on camera than would a neatly stacked pile. The crumpling is so time-consuming that an employee eventually created a machine to automate the process. “I never thought when I went to Harvard Business School I would have to figure out how to crumple money,” says Housenbold, standing next to a black tub filled with bills that look more crumpled than not. (Beast doesn’t use the singles to pay rewards—it wires money to winners—so employees flatten and reband the bills to return to the bank.)

Housenbold’s top priority since joining Beast Industries has been reducing its reliance on its namesake. “I don’t want to be the main character of every show,” says Donaldson, who can use the time he once spent hiring or ethically sourcing chocolate to focus on new ideas. Housenbold and Donaldson speak 7 to 10 times a day; the CEO moved into a former house of Donaldson’s in Greenville, and Donaldson routinely drops by at all hours to, as he puts it, “grind” on various topics. They’re bringing in more adult supervision, or what the two of them are calling “people with lived experience.”

Housenbold has hired more than 50 employees, including a general counsel, chief people officer and chief financial officer. (It was hard to persuade a CFO to move to the Eastern Carolinas.) He plans to hire dozens more in the next year. Although Donaldson prefers to have his staff around him, the team now has employees in Chicago, Los Angeles, New York and San Francisco, as well as relationships with dubbing studios around the globe.

Even with the hiring and expansion, Housenbold wants to cut $100 million from Beast’s budget this year, which was forecast at roughly $800 million in a pitch deck to potential investors. He wanted to help Donaldson raise about $200 million in 2025, but they raised less than that, Housenbold says, because they’re developing new businesses with undisclosed partners that will invest directly in the company. Housenbold says the business will almost break even this year and should turn a profit in 2026.

> **Giving away $1 million can suppress viewership—people who see the video don’t believe it’s real**

It wasn’t hard to find savings. Beast paused production temporarily on its gaming channel, cut the channel’s staff from 70 to 15 and reduced the time Donaldson spent filming its videos. The new ones are slightly less popular but much more profitable. Cost-cutting on the main channel has been even easier. Beast routinely built sets—then tore them down, only to rebuild them for a later video. “People in Hollywood build sets, so when you need a school, there’s a school,” Housenbold says. “You don’t have to rebuild it.”

Then there are the deals: Beast Industries has purchased more than 50 Teslas and about a dozen Lamborghinis from local dealerships for shoots without a discount or product placement arrangement. Housenbold is now in talks with a larger US Lamborghini dealership about a $25 million sponsorship that would include using its cars in videos. And when Housenbold learned the team was shooting a video to save 1,000 animals, he mentioned the idea to the chief marketing officer of a company that sells pet products. The company wants to sponsor the video and has asked that it help save 200 dogs as part of the 1,000.

Housenbold isn’t meddling much with Donaldson’s creative approach, including the joy he gets at giving away vast sums. Recently, Donaldson called Housenbold to tell him he decided during a livestream to donate $400,000 to TeamWater, a project he’s leading to bring clean water to disadvantaged areas. That wasn’t in the budget. But Housenbold has created a “Jimmy fund” to cushion the company against profligate impulses.

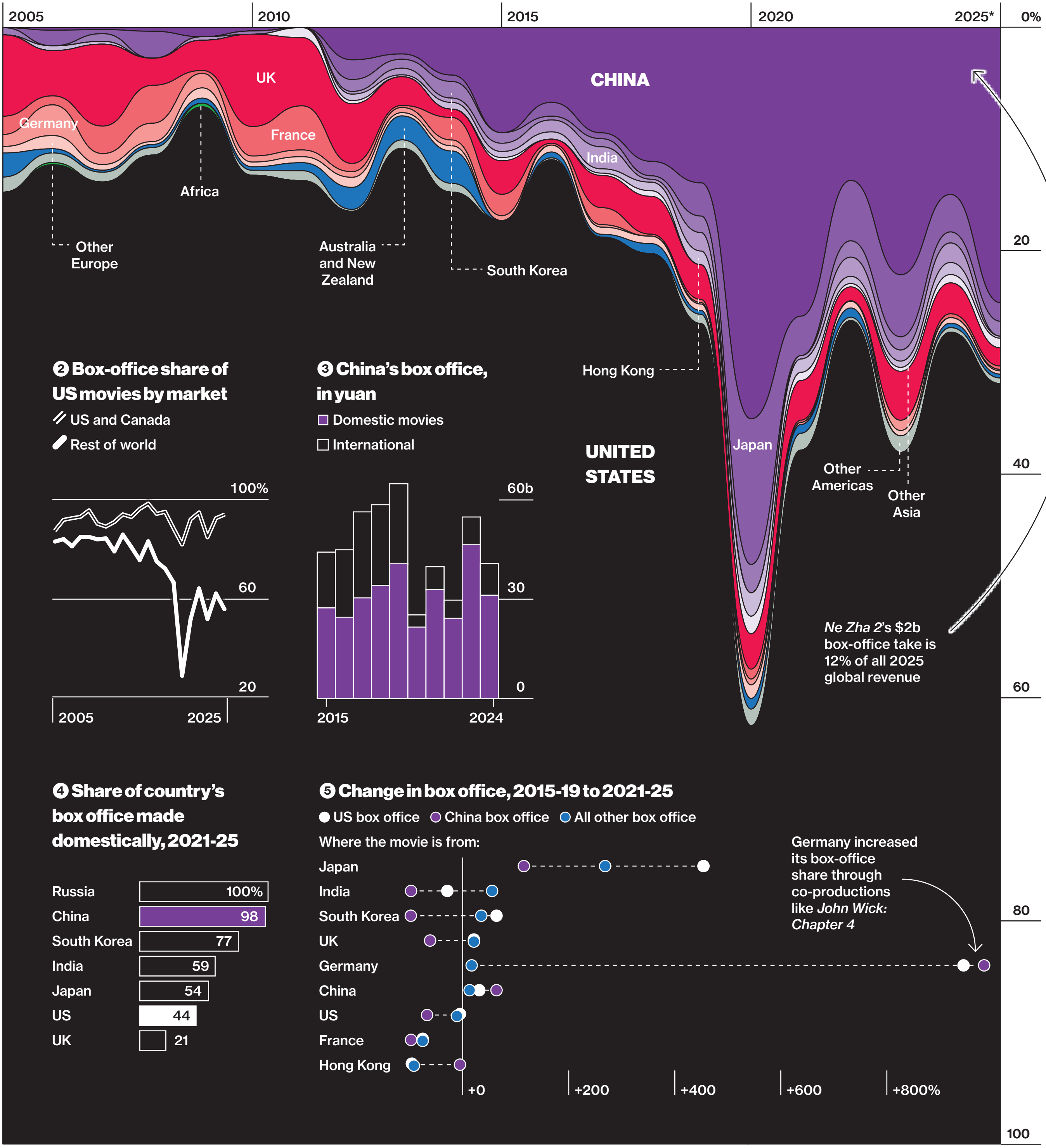
Donaldson has learned, though, that he doesn’t always need to spend more money to drive viewership. There isn’t a huge difference between giving away $1 million and $100,000; an average viewer sees both numbers as big and will tune in for the results. In fact, giving away $1 million sometimes suppresses viewership. “We definitely found the point where more money doesn’t equal more views,” Donaldson says. “If I were to give a random person on the street a million dollars, a lot of people who see that video, especially because we have a very international audience—they just don’t think it’s real.”

Although this isn’t an official shoot day for Donaldson, he’ll spend three hours filming shorter videos and doing some work for a main channel video. He’s put two people who used to date together for 30 days—yoked by a chain that grows shorter during the shoot. If they make it to the end, they split $250,000. The video is filming in a facility on the Beast campus, not far from a mock prison where they trapped a detective from Brooklyn and a white collar criminal in the same cell for 100 days; they made it through and each got $240,000. (Donaldson and his crew travel around the grounds by car or golf cart.) Housenbold has freed Donaldson from more operational tasks that weren’t a strength. “We’re not where we’re at because I’m a genius-level business guy,” Donaldson says. “I know how to make better content on YouTube than anyone else in the world.” Ⓑ

A New Script

American movies are losing their stranglehold on cinema screens around the world. ❶ Their share of the global box office has shrunk from 92% to 66% in the last two decades, while the share for movies produced in Asia has increased. ❷ US movies still dominate at home, ❸ while Chinese flicks are grabbing more eyeballs domestically. ❹ A key difference: The US industry relies on the global market for over half its revenue; China just 2%. ❺ Can either country conquer new markets? —*Dorothy Gambrell*

❶ Global box-office share, top 100 movies by origin



❷ Box-office share of US movies by market

❸ China's box office, in yuan

❹ Share of country's box office made domestically, 2021-25

❺ Change in box office, 2015-19 to 2021-25

*ALL 2025 DATA IS AS OF 8/20. US DOMESTIC BOX-OFFICE FIGURES INCLUDE CANADA, PUERTO RICO AND GUAM ■ DATA: THE NUMBERS, MAOYAN REPORTS ON MOVIES WITH MORE THAN $1 MILLION AT THE BOX OFFICE. GLOBAL BOX-OFFICE NUMBERS ARE FOR THE TOP 100 MOVIES RELEASED EACH YEAR. DOMESTIC MARKET SHARES CHART COUNTS ONLY MOVIES WITH ONE NAMED COUNTRY OF ORIGIN

“LOVE IS THE
ONLY THING
WORTH
EVERYTHING.”
Barbie Adler
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Losing Hope In La-La Land

Contraction in the entertainment industry has left many struggling to make ends meet. Where do the thousands upon thousands of underemployed workers go from here?

Interviews and text by Eliza Brooke
Photographs by Stella Kalinina Illustration by Dohee Kwon

For the past century, anyone who's aspired to write, act, direct or simply be famous has moved to Hollywood. This steady trickle of strivers turned into a flood in the 2010s as the streaming boom led to an unprecedented output of films and TV shows. Yet Los Angeles, city of dreams, is now a locus of despair.

The entertainment business has suffered one setback after another, including a pandemic that shuttered movie theaters and halted production, two prolonged labor stoppages and the near-total collapse of cable television. Studios responded to falling stock prices by slashing billions of dollars from their budgets and firing tens of thousands of workers. Executives who had their hearts set on making the next *Mad Men* or *Bridesmaids* are being told to go work for a YouTube star—or design video games. But even video game studios are shedding staff. Talented people in every corner, and at every level, are unemployed.

A year ago, we argued that the culture industry was in good shape. Despite the recent downturn, the average person had never spent more money or time on entertainment. While this is still true, it doesn't feel that way to most who work in Hollywood. Cost-cutting wasn't a temporary reaction to fleeting struggles or labor strife; there is a growing realization that it's the new normal.

The business is just harder. It's harder to find jobs and harder to keep them. It's harder to sell projects and harder to buy them. We spoke to eight people across the industry about what their lives look like now and how they're navigating an uncertain future. —*Lucas Shaw*

NANCY STEINER, 60
Costume designer

For almost 40 years, Steiner has done influential work on visually driven films such as *The Virgin Suicides*, *Lost in Translation* and *Promising Young Woman*. Before the pandemic, she says, she can't recall going more than three and a half months without a job. This year she's worked just 16 days, on two commercials. "This is the first time I've ever really struggled to get a job," she says.

A recent experience exemplifies what she sees as the downstream effects of studio budget cuts and the movement of productions out of LA enticed by better tax breaks in other states and lower costs abroad. This year, Steiner was hired on a show that was supposed to shoot in New York. Normally, she would have joined the production as a "distant hire," ensuring her travel and housing were covered. But in this new era, she was brought on as a "local," meaning she had to pay for her expenses out of pocket. Still, Steiner took the job, turning down other work to do so. Then, after she'd already begun prep and hired her crew, she was told the show had been canceled.

Steiner dipped into her savings during Covid-19 and the strikes. That money is gone now. "I have never in my life had to borrow money," she says, her voice breaking. "And I have to borrow money to pay my mortgage." To earn some cash, she organized a clothing sale with fellow costume designers and sold a camera on eBay, but she doesn't know what she'll do for work if this dry spell continues: "What does a costume supervisor do in the outside world?" After decades in the job, Steiner finds it difficult to think about applying her skills to another field.

For her, the state of the industry is an existential crisis. "It's my life's work. It's what I love. It's a community, it's my family," she says. "I'm losing so many things."

KAI LENNOX, 51

Actor

Since he was 18, Lennox has made a living acting in shows such as *Fargo* and *The Girl From Plainville* and in movies like *20th Century Women*, *Green Room* and *He's Just Not That Into You*. Even in moments when his luck seemed to be petering out, he eventually found work. "I feel very fortunate to have been able to work as consistently as I have, for as long as I have," he says.

In 2024, Lennox made the "grisly discovery" that he had failed to qualify for health insurance through the Screen Actors Guild for much of 2025—he was just over $1,000 shy of the union's earnings requirement. As studios produce fewer projects, he's going up for parts against higher-profile actors, who are also dominating talent agencies' limited resources and attention. "Everything becomes more competitive," he says. "It's not like I have been turning things down."

For now, Lennox is relying financially on his wife, Kameron, a costume designer, while he keeps looking for work; she just earned an Emmy for *The Studio*, an anxiety-steeped comedy about the entertainment business. "If it wasn't for Kammy working as consistently as she has, I don't really know where we would be," he says. Lennox has industry friends who are moving to cheaper cities—or changing fields entirely. "It's very possible," he adds, "that scenario could have happened to us."

RUTH WALKER, 53

Entrepreneur, former entertainment executive

Walker still says "we" when talking about the Walt Disney Co.—then laughs and corrects herself. She started there at 23 and spent 28 years working in various roles: theatrical distribution, finance, film licensing, cinema partnerships, loyalty programs. She was a vice president when she was laid off in 2023.

"From a left-brain perspective, it wasn't surprising," she says. In 2023, Disney cut thousands of jobs in a series of layoffs. When Walker looked around to see who else had been let go, quite a few matched her profile: executives who'd been at Disney for 20-plus years and were relatively expensive. She'd seen many restructurings, but after so much time at one company, leaving it felt like a loss of identity.

After a job search that yielded few opportunities for executive-level positions, Walker pivoted. She got interested in the business of river cruises and became a travel adviser. Since then, she's started a venture pairing influencers with cruise lines to develop trips for fans. Her first partnership, with YouTuber Max Miller—another ex-Disney employee, who makes videos about historic dishes—sets sail on the Danube in October. Participants can expect walking tours and talks from Miller about, for instance, the history of apple strudel.

"I have a lot of stock in Disney, so I want them to do really, really well, because my retirement depends on it," she says. "But I think we all have to diversify our portfolios."

MYCHAEL CHINN, 40

Development executive

Chinn was excited when he joined MTV Studios from Lifetime in 2021. He was on a team that was meant to partner with A-list actors of color who had their own production companies—Jamie Foxx, John Leguizamo, Priyanka Chopra, Regina Hall—to develop movies and limited series. Weeks after he arrived, his manager was let go. Chinn describes a lack of direction from above. “We couldn’t get a clean sense of what our mandates were,” he explains. For two years, Chinn says, his team struggled to build out its slate. Then, in May 2023, he and his colleagues were laid off.

With the Writers Guild of America strike on and the SAG strike looming, Chinn faced a grim job market. Positions would go to more senior execs who were desperate for work and willing to take a step down in title and a cut in pay. As a result, Chinn and his cohort—midlevel staffers looking to rise in the ranks—were getting boxed out of advancing their careers.

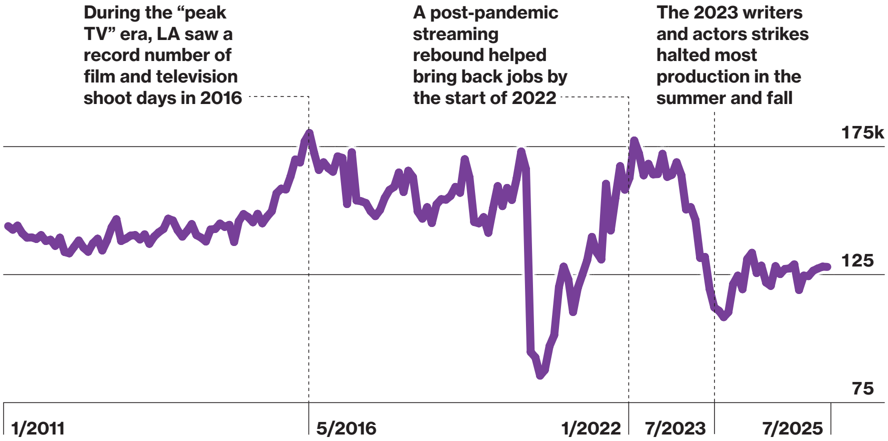
While he looked for a full-time role, he directed a production of the *Hamlet* revamp *Fat Ham* in Tennessee, gave notes on scripts and worked as a creative producer on a Lifetime holiday movie. At times he considered substitute teaching or driving for Uber. Last October, Chinn was hired as a VP of development at Monami Productions and its founder’s management company Artist Collective Entertainment. “I’m one of the lucky ones,” he says.

Many of Chinn’s MTV colleagues are still out of work, and he’s noticed people of color struggling in particular. “They’re amazing executives,” he says. But the political climate has made employers increasingly risk-averse, and those in charge of hiring decisions don’t always see these execs as “being able to work on mainstream content populated by people who don’t look like them.”

As such, his own good fortune feels bittersweet: “It just makes it hard to maintain an attitude of gratitude, like my grandma used to say.”

Hollywood’s Workforce Woes

Employees in the motion picture and video industries in California



■ DATA: US BUREAU OF LABOR STATISTICS. JULY 2025 IS PRELIMINARY

JULIA AND KATI PRESCOTT, 37 AND 39

Writer and animation background artist

Growing up in LA, the Prescott sisters saw the magic and disappointment of Hollywood firsthand. Their parents had moved to the city with dreams of becoming actors, and though stardom remained elusive, their mother built a steady career in entertainment as a contract administrator at Disney. “Our mom would bring home rejected storyboards or character designs, and they would be our coloring books,” Julia recalls. Visiting the animation studios, the sisters met grown-ups who wore elaborate costumes to the office on Halloween and brought a sense of play to their jobs.

Kati graduated from college with a degree in painting in 2009 and was building a career as an animation background artist by 2015, working on shows such as a reboot of the 1980s hit series *Muppet Babies*, the raunchy coming-of-age cartoon *Big Mouth* and Netflix’s *Bojack Horseman*, which depicts the trials of show business through the eyes of an anthropomorphic horse. She was staffed on plenty of projects during the pandemic—with their home studios, animation professionals transitioned easily to remote work—but opportunities began to dry up in 2023. Kati hasn’t had an animation gig since December. Instead, she babysits, sells her own artwork and vintage clothing, and works as a personal organizer, as she considers making her own comic or shifting into illustration outside the entertainment world. “It’s a matter of, what can my skills translate to, so I don’t have to completely start all over again?” Kati says.

As a writer, mostly on animated shows such as *The Simpsons* and Nickelodeon’s *Rock Paper Scissors*, Julia saw opportunities slow down at the same time. But she was lucky to receive a yearlong Rideback RISE fellowship in 2023, which gave her a $50,000 stipend to work on several live-action feature scripts and a $25,000 grant to shoot a proof-of-concept short. Meanwhile, former bosses were calling to ask if she’d heard of any jobs; they, too, were looking for work. “I felt a little guilty and shameful in having a positive opportunity that was really helping me,” she says. She also served on the Animation Guild’s negotiations committee in 2024. Julia has begun producing one of her scripts, a horror-comedy, while teaching a writing boot camp that helps participants produce a script in a single week. This, in turn, has led to consulting work.

What does their mother, now retired, think about their situation? “She tells us she prays for us every single day,” says Julia.

THE SIMPSONS

APRIL KORTO QUIOH, 32

Writer, director, actor

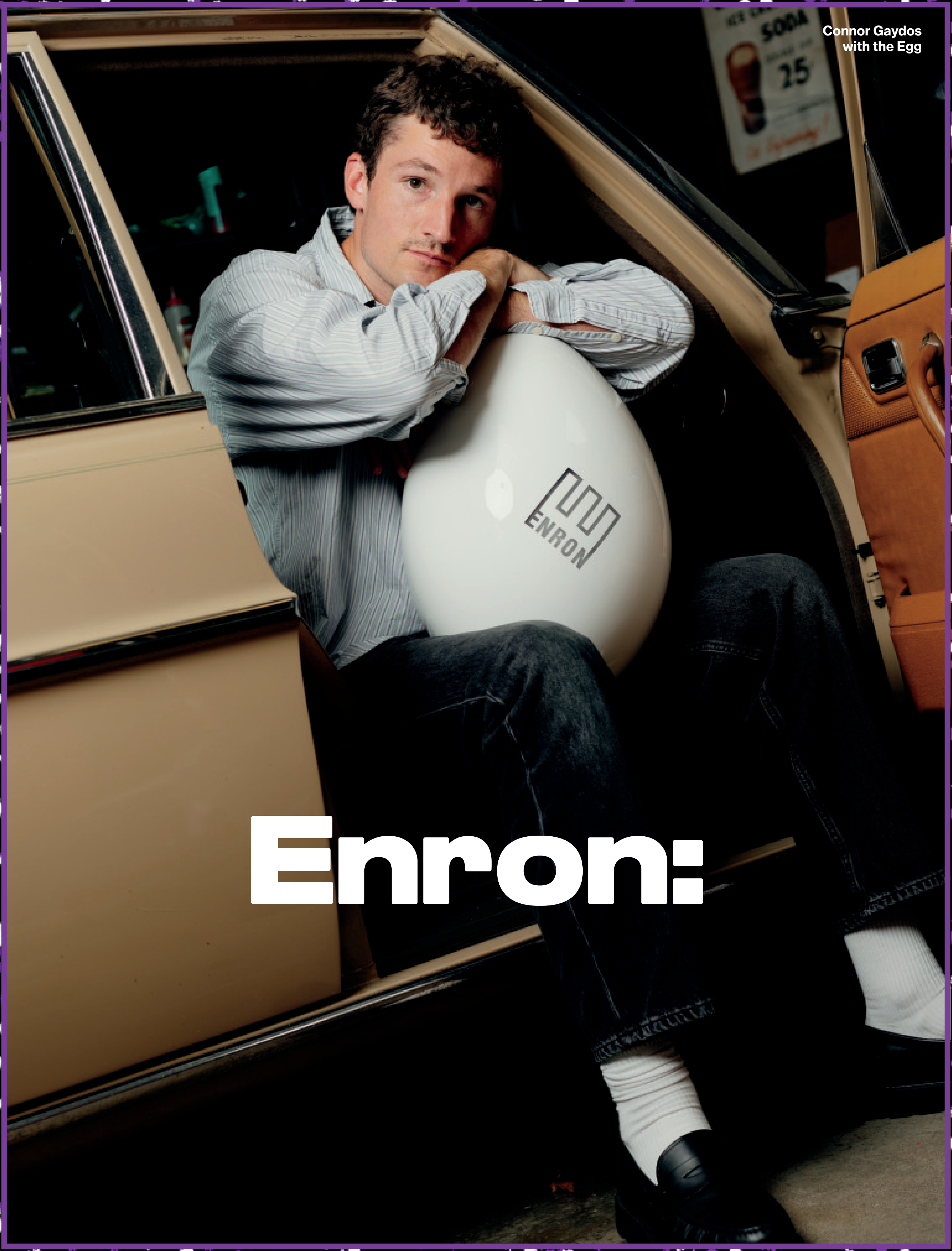
Before the strikes in 2023, Quioh booked plenty of work as a TV writer—enough to keep her busy throughout the year. She's written for shows such as the cop sitcom *Brooklyn Nine-Nine*, Netflix's *Survival of the Thickest* and *Loot*, which stars Maya Rudolph. Now she hasn't worked in a year, and she's no longer seeking out typical TV writing jobs.

Quioh is trying to find a way to work independent of the studio system. While on strike, she had time to meditate on the impediments to making a leap from writing to directing, including a lack of exposure to life on set and increasingly short seasons for series, which make it less likely for a writer to get tossed an episode to direct. Nor was she encountering many Black women directing TV shows—*Survival of the Thickest* being a welcome exception, with directors including showrunner Amy Aniobi, actor Tasha Smith and filmmaker Thembi Banks. "I was like, 'OK, we're doing it,'" she says. "'I'm going to take my savings, hire my friends and people that I look up to and make the project that I've always wanted to make.'"

That project is *Pick Me*, which Quioh hopes will be her first feature—she'll write, direct and star. It begins with a real incident: When Quioh was 24, her Liberian grandmother staged what was essentially an intervention to question why Quioh was still single and childless.

Quioh spent about $60,000 of her savings and raised more than $32,000 to make a short film version via Kickstarter, and she plans to invite her industry contacts to its premiere this fall. After reading the feature script, they can participate in financing the longer version.

"I've never seen anything like this before, and I feel confident about it, because it's genuine. There's no agenda other than making something real," Quioh says of the project. "We're going to do it free-market style." Ⓑ



Connor Gaydos with the Egg

Enron:

The Satire

Some performance artists bought the name for peanuts and concocted an elaborate send-up of corporate excesses. Then they tried to bring Enron back for real

By Max Chafkin
Photographs by Houston Cofield

In early December an advertisement appeared on social media with an inviting caption: "We're back. Can we talk?"

A time-lapse video of Manhattan followed. "The world is changing faster than ever," a voice intoned. "Can you feel it?" The announcer extolled dynamism and innovation as a series of portraits flashed across the screen. There was a protester embracing a riot policeman=n, a stone-faced farmer surveying his field, an elegant ballerina dancing on a beach and an elderly man beaming while wearing a virtual-reality headset.

The ad was instantly familiar to anyone conversant in the language of corporate reputation management. It could have been a promotion for a scandal-prone chemical conglomerate, a comically amoral management consulting firm or the tourism bureau of an authoritarian kingdom. In fact it was a relaunch video for an entity held in even lower esteem than any of those.

"I am Enron," said the stone-faced farmer.

"I am Enron," said a young pregnant woman.

"We are Enron," said the ballerina, as the camera pulled back to reveal that she was among hundreds of people forming the energy company's logo—an "E" cocked upward.

That design was by Paul Rand (who also did IBM, ABC and UPS), a distinction befitting a company that at its height was one of the world's largest and most admired. Twenty-five years ago, Enron's revenue made it bigger, on paper anyway, than AT&T, Volkswagen and JPMorgan Chase. Of course, that revenue turned out to be a product of financial engineering and creative accounting. The company collapsed in 2001, making fools out of the boosterish analysts and credulous journalists who'd sung its praises. Its executives were charged with fraud and received lengthy prison sentences, one of the world's largest accounting firms shuttered, and Enron's brand name—a marketing neologism meant to evoke the future of energy—became a byword for corporate greed and crony capitalism.

In 2025 corporate greed and crony capitalism aren't quite as taboo as they once were, though the new Enron promised it was going to set a good example this time. The relaunch video sent viewers to a website that explained the company's name now stood for "Energy, Nurture, Repentant, Opportunity, Nice." A few weeks later, Enron's social media accounts posted another video, this one featuring a mysterious product the company claimed would "revolutionize three critical industries"—the power industry, the "independence industry" and the "freedom industry." As an audience looked on, an executive in a Steve Jobs-style getup lifted a cloth to reveal a large polished egg, proclaiming it "the first micronuclear reactor for residential suburban use." Not only was the device "safe for the whole family," he said, but "my little ones, they freaking love it."

If anyone wondered whether this was satire, the identity of the would-be nuclear energy entrepreneur, Connor Gaydos, left little doubt. In 2017, Gaydos helped create Birds Aren't Real, an absurdist performance art project that satirized conspiracy theories such as Pizzagate and QAnon. Gaydos and his co-founder, Peter McIndoe, financed the project by selling T-shirts that warned "If It Flies, It Spies" and "Birdwatching Goes Both Ways." I own one of these items, along with a Birds Aren't Real sticker on my laptop that never fails to get a laugh at airport security.

The difference between Birds Aren't Real and Enron is that Enron goes way further to commit to the bit. At the same time Gaydos was promoting his "nuclear reactor" on social media, Enron filed a real application with the Public Utility Commission of Texas to sell electricity—essentially attempting to turn the satirical energy company into a real one. That was followed by allegations of actual financial chicanery and investor losses. The deeper I got into the reporting of this story, the harder it became to discern satire from reality, and I started to wonder if anyone besides Gaydos knew exactly where that line was.

To Gaydos—a fan of Nathan Fielder, the stunt comedian who got licensed as a real-life commercial airline pilot for the latest season of HBO's *The Rehearsal*—none of this is as strange as it sounds. "I think I'm more a CEO than most CEOs," he says. "Everyone's an actor at this point." To reinforce this idea, Gaydos name-drops a handful of his "friends" in business, including Walt Disney Co.'s Bob Iger and GameStop Corp.'s Ryan Cohen. On his relationship with Iger: "We're not buddies, per se, but there's a level of mutual →

■ PATTERN ILLUSTRATION BY OELHAN

← respect." Cohen, Gaydos says, is "someone that I've not met a ton but am familiar with." Disney declined to comment. GameStop didn't respond to a request for comment.

Fake or not, the reference to GameStop seems deliberate. The company, after all, was a near-bankrupt mall retailer that was resurrected thanks in part to a novel social media phenomenon—in which a group of Reddit users spontaneously banded together to pump up the stock price—and to the performance of a chief executive officer who, so far, has figured out how to keep that community on his side. Similar observations could be made about Tesla Inc. and Palantir Technologies Inc., where charismatic executives have persuaded retail investors to bid up share prices well beyond what would make sense based on strictly business terms. Most big tech companies trade at a share price equal to about 30 times their earnings per share. As of mid-September, Palantir's price-earnings ratio was around 570, Tesla's was above 260. One possible explanation for this disparity is that these companies have much brighter futures than their peers. Another is that they're meme stocks.

Put this another way: A more or less straight-faced argument could be made that running one of these meme stocks requires a performance that isn't especially different from the orchestration of an elaborate hoax. Which is why, ridiculous as it sounds, the Enron reboot is worth paying attention to. Gaydos is simultaneously sending up an entire generation of fake-it-till-you-make-it CEOs while attempting to profit from their playbook. When asked whether the man Enron identifies as the creator of its nuclear reactor is an actual nuclear scientist, Gaydos smirks. "I mean, he is a nuclear scientist," he says, before pausing. "He also has an acting career."

If he were a normal CEO of a normal startup and I were writing a normal magazine profile, this would be the point at which I'd note that Gaydos is 29, tall and boyish, with a tangle of curly hair and a slightly detached manner that may or may not owe to his frequent puffs on a vape pen.

We're sitting in his home in a wood-paneled room with a large window that looks onto a leafy suburban neighborhood in Fayetteville, Arkansas. "Because we did Birds Aren't Real, this seems like another performance art project," Gaydos says. "There's elements of that. But I also think there's elements of things that we would accept as being connected to reality in a media landscape which has allowed Donald Trump to become president twice."

After holding forth on the line between satire and reality in Trump's America, he excuses himself, walks to the other side of the room, opens a door to the outside and proceeds to urinate. "Nature is my toilet," he says. "Please quote me on that." Is he making a point about the hypocrisy inherent in the way energy companies talk about environmental responsibility? Is this just the most convenient place in his home to relieve himself? I'm not sure—and I can't tell if Gaydos is either.

"Honestly it sounds insane, but I've sort of been following the Enron story my whole life," he says. Perhaps it was because his father worked as a stockbroker in Little Rock, or maybe it was the way the company's troubles dominated headlines when he was in grade school, but Gaydos says he followed the trials of Enron executives Kenneth Lay, Jeffrey Skilling and Andrew Fastow obsessively. He claims he came to regard what they'd built with the same reverence with which some of his peers viewed Apple Inc. under Jobs. "People have their secret fantasy crushes," he says. "My secret fantasy crush was Enron of the 1990s."

ENRON
Smith Stre

Outside the original Enron's headquarters in 2001

GREG SMITH/GETTY IMAGES

Another part of Gaydos' account of his childhood has a greater ring of truth. He says he was an enthusiastic consumer of conspiracy theories and a regular viewer of *The Alex Jones Show.* Gaydos sees Jones, a ranting fabulist who was successfully sued and bankrupted after he claimed that parents whose children died in the 2012 Sandy Hook Elementary School shooting were actors, as a "great entertainer," even if "I don't subscribe to a lot of the stuff he agrees with." (Jones is appealing the ruling against him.)

In early 2017, not long after Jones had been promoting the idea that elites were operating a sex-trafficking ring out of a pizza shop, Gaydos and his college roommate, McIndoe, stumbled into a conspiracy of their own. To make a little money, they'd been selling novelty T-shirts with nonsensical phrases, including one proclaiming "Birds Aren't Real." Shortly after Trump's inauguration, McIndoe was visiting friends →

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← in Memphis, where as in many American cities there were anti-Trump protests as well as anti-anti-Trump counterprotests. Struck by the absurdity of the whole spectacle, he grabbed a piece of poster board, wrote "Birds Aren't Real" on it and began berating passersby with expressions of avian paranoia. "Have you ever seen a bird in real life?" he yelled. "No! You've seen an Obamadrone!"

The performance was caught on camera and went viral, prompting McIndoe to wonder, as he later put it in an NPR interview, if he could "convince the public that our satirical movement was a real one." McIndoe and Gaydos decided to pivot their business to conspiracy. They manufactured fake blueprints of the Obamadrones, a WikiLeaks-style document dump ("Poultrygate," complete with hundreds of fake emails) and "banned" video footage featuring Gaydos as the original movement's founder.

"Since the Eisenhower administration, the US government has been committing genocide on the entire bird population," Gaydos explained in the video, which they shot on an old VHS camera, with a 1980s movie set as the backdrop, and then posted on YouTube. The government, he continued, was "replacing these birds with sophisticated robot replicas."

Over the next few years, Gaydos ran the merch business, while McIndoe, wearing a pair of wraparound sunglasses and frequently shouting, played the grassroots activist. He drove across the US in a white van covered in slogans ("Birds Charge on Power Lines") and equipped with a satellite dish and bird-deterring metal spikes.

In July 2019 an anchor on a Memphis morning show, which had covered one of his protests, asked McIndoe to explain the satire. "Honestly that's kind of offensive," McIndoe said, wearing a look of aggrieved disbelief. "I don't think you'd say that if I said 'birds are real.' I don't know why the other side of the argument can't be treated with equal respect." The performance, which simultaneously mocked the paranoid petulance of Jones and his ilk and the media's fetishization of balance, attracted even more media interest and more merch purchases.

In an attempt to stop online sellers from offering knockoff shirts, Gaydos started filing for trademarks for Birds Aren't Real and its various catchphrases, and in 2020 he added to his portfolio, paying a $275 filing fee to take over Enron's expired trademark. He says he just randomly typed the name into the US Patent and Trademark Office search bar to see who owned it. "I assumed it was, like, a bank or someone who was incentivized to keep it away from people like me," Gaydos says. "But no one seemed to do that." He sold a few novelty tees with the phrase "Enron Summer Internship 1997," but he didn't seriously consider turning Enron into a full-blown performance art project/energy company at first. "I didn't truly believe it to be an interesting idea," he says. "But I'd sort of be a few drinks in and let it slip."

Gaydos got more serious about the project in 2022, imagining a Birds Aren't Real-like project that would involve "bringing back this notorious company and doing it in the most self-serious way you could ever imagine," he says. "The only question you ever needed to ask yourself was, what would the real Enron do in this situation? What would their marketing look like?" He started talking to McIndoe about the idea.

> **"My secret fantasy crush was Enron of the 1990s"**

By 2024 the project was in full swing and had raised funding from a group of crypto-connected investors, and McIndoe had recruited a half-dozen writers, filmmakers and other creative types to help him develop a story for the fictional company. The idea was to create a satirical rebranding campaign centered on a misguided attempt to create home nuclear reactors. Gaydos played a sensitive but morally challenged change-the-world type—the kind of guy who, on a fake earnings call that streamed in July, would complain about the noise that an elderly board member's oxygen tank was making and ask an assistant to "turn that down." Later on, with the board member seemingly slipping into unconsciousness, Gaydos cut their video feed and then offered to "pray us out." He then intoned: "Just like Noah was a second chance for the world, uh, with his ark, Enron is a second chance for the United States. So thank you. Amen."

Like with Birds Aren't Real, the absurdist social media stuff would be bolstered with a series of stunts and a community of supporters who'd be "hired" as Enron interns. Gaydos and McIndoe cast as the chief technology officer, persuaded Paris Hilton to endorse the nuclear reactor ("Thank you @Enron and CEO @ConnorGaydos for personally delivering The Egg," a clearly amused Hilton wrote in a Facebook post) and purchased a real-life trucking company in Texas to make the supposed deliveries of nuclear reactors look more realistic. The company's tractor trailers have been making their regular deliveries, but now they have the Enron logo and the phrase "Nuclear You Can Trust" printed in giant letters on the sides, leading to dozens of confused and/or amused social media posts featuring pictures of the trucks in the wild. (For instance: "Am I tripping? What is this possibly transporting?")

There was a second part of the plan: Gaydos became convinced Enron could evolve from a satirical company into a real one. And so, about a month after the December launch, he and McIndoe found themselves at a dinner meeting with two longtime energy executives—Gregory Forero and DJ Withee—about starting what's known as a retail energy provider, or REP, in Texas, where state law allows companies to buy power from producers and resell it to consumers. →

← Withee says the idea was proposed by an investor, whom he declines to name, but adds that he initially found the whole thing offensive. "If you guys are just using this as a joke or some internet thing, I'm not interested," Withee recalls saying. But over the course of the meal, he came around. I press Withee to explain how exactly this would work. The whole joke of "Nuclear You Can Trust" is that there isn't a less trustworthy company than Enron. The idea that Texas consumers will laugh at the joke and then decide to trust the Birds Aren't Real guys with their power needs seems crazy.

"You mean crazier than a talking gecko that can save you 15% on your auto insurance?" Withee asks. He notes that even though deregulation has led to the formation of hundreds of REPs, most electricity consumers rarely change providers. "The challenge as a REP is to break some of those loyal customers away," Withee says. "To get in front of them and then make your pitch. That is 21st century marketing."

Withee's definition of marketing seems to suggest that satirical stunts might be indistinguishable from whatever they're satirizing, at least on social media. This concept—which in internet forum culture is sometimes called Poe's Law—is undoubtedly true, and also somewhat depressing.

In our first interview in Fayetteville, Gaydos seemed to perfectly parody tech bro hubris. He insisted that the Enron nuclear reactor was real "in theory" and that "we have a team of people that are developing nuclear reactors to help the president solve the energy crisis." He encouraged me to speak with the Egg's purported inventor, Daniel Wong, who refused to disclose the makeup of the research team, his past experience or pretty much anything else concrete about the project. "I have to remember my NDAs," Wong said, though he did mention a recent appearance as an uncredited extra on *Law & Order: Special Victims Unit*.

This was funny, though I couldn't help but notice how Gaydos' nuclear pitch was basically identical to hundreds of pitches I've heard from real-life tech CEOs and investors—in so far as it consisted of a flashy event, a collection of wild claims and absolutely zero useful details. Big venture-capital-backed companies have been built on less.

Frauds too. In February—as members of Trump's inner circle frantically launched so-called memecoins—Gaydos posted a video suggesting a new $ENRON token would power the company's resurrection. "People forget that the *Titanic* was a beautiful ship," he said. "It doesn't deserve to be rotting away at the bottom of the ocean." If you attempted to buy the token, a disclaimer warned that the project "represents First Amendment protected parody and performance art" and not an investment, adding that references to fuel and energy were "purely metaphorical and refer solely to motivational or inspirational energy."

On one hand, there was nothing surprising about any of this. Since it's basically impossible to be a Silicon Valley huckster without having a crypto token these days, no tech culture parody would be complete without its own. But then Enron's token actually went up for sale and briefly reached a market capitalization of around $700 million. It crashed in the hours that followed after two early investors sold off their shares. Enron said these traders, who netted about $9 million in profit, were "snipers"—outside speculators having nothing to do with Enron—and the company later posted an 80-minute video of Gaydos undergoing a polygraph examination to make the same point.

The token launch led to something resembling an actual scandal. A trade publication, *Defiant*, described the Enron memecoin as "predatory." And the investigative reporter Stephen Findeisen (better known by his YouTube handle, Coffeezilla) pointed out that Gaydos' response to the controversy, in which he claimed to be a victim rather than acknowledge his own complicity in creating a dubious asset, was similar to the one deployed by the boosters of other questionable memecoins, such as the $HAWK token promoted by Haliey Welch, of the "hawk tuah" meme. (Google the phrase, if you must. Welch has said she only served as a spokesperson for the token. She hasn't been accused of wrongdoing.)

"I thought it was really cringe," Findeisen said in a video posted shortly after the Enron token was released, noting it was "kind of disappointing to see the guy behind a legitimately funny project do what is not actually that funny." He noted that ironic scams are still scams, though he did acknowledge there was irony here. "If you can't trust Enron," he said, in mock rage, "who can you trust?" He recorded the video wearing a hoodie he'd bought from Gaydos' online store.

Satire, of course, isn't always ha-ha funny, and, watching all this play out, I'd assumed that the token launch, the crash, the polygraph and even Coffeezilla's reaction were part of a deliberate storyline. But when I began reporting on the crypto token, several people familiar with the inner workings of the project said it wasn't a joke—the token launch had been a legitimate screwup that led to a power struggle within the company and a frantic scramble at damage control. These people, who requested anonymity to avoid reprisals, say that McIndoe and Gaydos were pressured into releasing the token by an Enron investor, an entertainment entrepreneur named Craig Watson, and that McIndoe left the project, essentially in protest. McIndoe declined to comment. Many of the token's early buyers, according to these people, were part of the team McIndoe and Gaydos hired to orchestrate the prank. According to the account of these sources, they were victims of a reanimated version of the original Enron fraud. An Enron spokesman says that Watson is not an investor but an executive who helped Gaydos and McIndoe raise funding and that "the core Enron team were all aligned on launching a coin." He blamed "bad actors" and noted that "Enron has been actively gathering evidence since the attack and will soon be filing a fulsome legal action" against the perpetrators.

Up until this point, Gaydos' manner with me had been of the uberconfident CEO, but when I brought up Enron's crypto token a month later on a call, he took a deep breath. Then he broke character. He declined to discuss the specifics of his relationship with Watson or of McIndoe's exit, but he didn't dispute the account I'd heard. He said he'd raised money from outside investors to buy the "enron.com" domain name—a six-figure expense—and because he thought the joke of Enron's rebranding would be funny only if it were absolutely convincing, which meant spending lots of money. "We needed money, because it was a sort of barrier between us and doing the project at the level we felt like it needed to be done," he says. "And then you just become what you're satirizing."

There was a second setback. In early August the staff of the Public Utility Commission of Texas filed a brief recommending that the state deny Enron's application. "By attempting to market potentially legitimate retail electric services alongside satire, Enron has made it unnecessarily difficult for Texans to differentiate between real information and humor," the brief said, citing the fake earnings call and the nuclear reactor. "The public interest is not served by forcing consumers to meticulously sort fact from fiction when selecting an electric provider." Enron disputed the rationale but responded to the ruling by pulling its application on Aug. 22 while promising to find another way to enter the energy market for real. Shortly after doing so, the company and its erstwhile partners, Withee and Forero, cut ties. Withee declined to comment further. Forero didn't respond to a request for comment.

Gaydos seems unsure of what's next. "When I think back on the way I was thinking about Enron, three or four years ago, it was driven by the desire to poke fun and turn a mirror around on the state of corporate America and the institutions that have been our overlords for a long time," he says. "That's where I really thought Enron could have"—he pauses and corrects himself—"I think Enron can have a generational impact on the way that we view corporations and on marketing and branding, entertainment, whatever. Sometimes that gets lost." Not long after, a person familiar with the company told me that Gaydos was resigning but might stay involved with Enron in some other capacity.

Gaydos at home in Fayetteville

Gaydos says he's been thinking about the economic changes he's been a part of during his years as a social media prankster and performance artist. These include the corrosive cultural effect of social media and the potential job losses coming from the tech industry's unregulated embrace of artificial intelligence. He hoped Enron could be a warning about those things. And of course, if this is where the company's second act ends, it will be. Ⓑ

Bloomberg Screentime

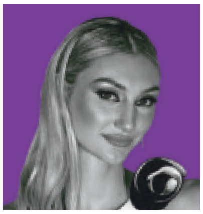
Ones to Watch

The podcasters, YouTubers, directors, artists, executives and others who are reshaping the business of entertainment, putting their stamp on the culture and changing our perspective on Hollywood, technology and the creator economy

HANNAH BERNER & PAIGE DESORBO

Podcasters

On Bravo's reality show *Summer House*, Berner and DeSorbo would peel off from housemates, laughing. A co-star called them "the giggly squad," and the name stuck. The women now host the *Giggly Squad* podcast, where they chat about driving, trips and pasta. It's led to a book (*How to Giggle*), a comedy special (Berner's *We Ride at Dawn*) and a fashion line (Daphne, DeSorbo's pajama sets). "I see a world where we're doing *Giggly Squad* when we're 80," DeSorbo says. —*Ashley Carman*



CAMERON BRINK

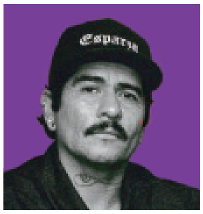
WNBA forward

Brink, the No. 2 pick behind Caitlin Clark in the 2024 WNBA draft, tore her anterior cruciate ligament 15 games into her rookie season with the LA Sparks. After a yearlong recovery, she returned to play in late July, sinking a three-pointer on her first shot. Off the court, Brink has emerged as a star: She has 1.4 million Instagram followers and deals with brands such as New Balance, which made her the first women's basketball player on its roster. —*Randall Williams*

KINIGRA DEON

YouTuber

Of the relatively few creators making scripted series for YouTube, Deon is among the most successful. She posts three videos a week in genres such as teen romance, science fiction and family comedy. They mainly feature Black actors, earning her the nickname "the Tyler Perry of YouTube." Recently, Deon signed a production deal with Kevin Hart's media company and began shooting a film. "Creators are moving into Hollywood, and I'm really excited," she says. —*Aisha Counts*



RAFA ESPARZA

Artist

Esparza's medium is adobe—a mix of dirt, water, hay and horse dung. His paintings and sculptures have been acquired by museums around the world, and next year he'll have shows in Mexico City and be part of a group show in Buffalo, New York. "These works erode over time," says Esparza. "Instead of being so paranoid about conservation, trying to make sure they look the same forever, I like working with a material that's so unruly in terms of its longevity." —*James Tarmy*

LUCY GUO

Founder & CEO, Passes

After seeing influencers struggle to survive on inconsistent brand deals, Guo thought she could help them earn money from fans who would pay for exclusive photos, direct messages, etc. If OnlyFans is home to sex workers, and Patreon is for podcasters, Passes is for TikTok stars. Since 2022, when it started operating, Passes has raised $50 million from investors and attracted creators such as former gymnast Livvy Dunne. "More creators are going to become entrepreneurs," Guo says. —*Aisha Counts*

MAGGIE KANG

Director

KPop Demon Hunters follows a K-pop girl group that, as the name suggests, hunts demons. It's now Netflix Inc.'s most watched movie ever. Kang, who grew up in Canada and studied animation there, mined a childhood in Seoul and Korean mythology to create her K-pop-meets-anime mashup. "I wanted to show my appreciation for my culture," she said in an email. "Every part of the movie was seen through a Korean lens." Talks about a sequel are in the early stages. —*Sohee Kim*

JUSTIN PICHETRUNGSI

Chef, restaurateur

Pichetrungsi has turned Anajak Thai—a formerly unremarkable restaurant owned by his parents—into an LA hot spot. With innovations such as pork collar with coriander-soy molasses in his repertoire, he's been named best new chef by *Food & Wine* (2022) and best chef California by the James Beard Foundation (2023). Pichetrungsi closed Anajak this summer to expand it to handle about 90 customers, and he's transforming a house behind it into a creative hub. —*Kate Krader*

BRIAN ROLAPP

CEO, PGA Tour

In Rolapp's two decades with the NFL, where he rose to become chief media and business officer, he was key to quadrupling the league's annual revenue to more than $23 billion. He joined the PGA Tour in June, at a moment when it's hungry for new stars to replace a fading Tiger Woods and it must navigate a potential merger with LIV Golf, the Saudi-backed rival circuit that lured away some of the game's top names. —*Ira Boudway*

MIKEY SHULMAN

CEO, Suno Inc.

Suno is making it easier to produce music: All you need is a prompt—"yacht-rock-inspired song for a barbecue"—and voilà, here's your track. Shulman, who was previously head of machine learning at an artificial intelligence data company, says his product democratizes music creation. The major labels sued—they "see a threat to their market share," Suno said in a filing—but discussions are being held on a settlement that would let the company keep generating songs. —*Ashley Carman*

COURTNEY STORER

Producer, chef

Storer doesn't appear on-screen in *The Bear*, the show that chronicles the realities of restaurant life. But the former chef turned co-executive and culinary producer is the key to the dramedy's vérité sensibility. She taught cast members how to cook in her catering company's kitchen, which was also used to produce meals during the LA fires. Her coming cookbook, *Young Nonnas*, will feature *Bear* favorites such as rolled beef braciola. —*K.K.*

YU YANG

Director

When he was a student in China, with no training in filmmaking, Yu made computer animations at home. In 2008 a short movie of his got critical praise and led to a collab with China's top distributor. He broke out with *Ne Zha*—named for a boy who fights demons—in 2019, and now he's behind the world's highest-grossing movie this year. *Ne Zha 2* has earned over $2 billion, making it the first non-Hollywood title to crack the global all-time box-office list. Part 3 is in the works. —*S.K.*

LOLA YOUNG

Singer-songwriter

If you've heard one of Young's songs, it would be *Messy*, which went viral on TikTok. It's about being imperfect—a theme Young returns to often, including on her new album, *I'm Only F---ing Myself*. On Instagram she described it as "my chance to claw myself back from the edge of defeat." In reality, she's racking up wins: Elton John praised one of the tracks from the album, an upbeat tune called *d£aler*, and this fall she's headlining a tour. —*Bret Begun*

■ PHOTOS: BERNER: DAVID URBANKE. ESPARZA: STAR MONTANA. SCHULMAN: BARRY CHIN/GETTY IMAGES. STORER: EMMA MCINTYRE/GETTY IMAGES. YOUNG: JUSTIN GOFF/GETTY IMAGES. YU: VISUAL CHINA GROUP/GETTY IMAGES. ALL OTHERS: COURTESY SUBJECT ■ PATTERN ILLUSTRATION BY OELHAN

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How a Global Car Company Stalled Out

Jeep
WRANGLER

Stellantis is a Frankenstein conglomerate of Jeep, Ram, Fiat, Maserati and other brands. Can it survive its many missteps—and a trade war?

By Gabrielle Coppola and Albertina Torsoli   Illustrations by Saratta Chuengsatiansup

Early in the fourth quarter of this year's Super Bowl between the Philadelphia Eagles and the Kansas City Chiefs, 100 million viewers found themselves being soothed by Harrison Ford. From a cozy mountain lodge, mug in hand, the actor riffed on life, heroes and freedom—namely, the freedom to choose a gas-guzzler versus an electric vehicle, both of which are sold by Jeep. "Freedom is the roar of one man's engine, and the silence of another's," Ford said in the two-minute TV spot as footage of World War II-era Jeeps flickered on screen, followed by two modern-day models flying into the desert. "We won't always agree on which way to go, but our differences can be our strength." As Ford unplugged his hybrid Wrangler and drove off into the mountains, he flashed the two-finger Jeep wave to a fellow traveler gunning his own plug-in.

The multimillion-dollar ad was a pricey way to remind Americans just how much they really do love freedom in the form of a rugged vehicle. But for Stellantis NV, the Dutch-headquartered Franco-American-Italian car company that owns Jeep—along with Dodge, Ram, Peugeot, Citroën, Alfa Romeo, Maserati and a hodgepodge of other makes—it was a bid to help resurrect a storied brand whose sales had collapsed. The commercial had been greenlit by John Elkann, the 49-year-old billionaire chairman of Stellantis, who for the time being was also the de facto chief executive officer. Having ousted the CEO, Carlos Tavares, two months earlier, Elkann had a massive cleanup job on his hands.

Of the many strategic blunders Tavares made during his four-year reign over what was once a $93 billion conglomerate, perhaps his most egregious was the mismanagement of Jeep, Stellantis' crown jewel. He jacked up prices and increased production of Jeep's most expensive trims, without adequately investing in new products, which left gaping holes in an aging lineup and swelling inventory on dealer lots. The extent of the damage became clear in July 2024, when Stellantis reported that its net income had been cut almost in half. By September, exasperated dealers sent an open letter to Tavares accusing him of destroying the company's brands.

Elkann is the leader of the Agnelli family, Italy's version of the Kennedy clan. His great-great-grandfather Giovanni Agnelli, known as "the Henry Ford of Italy," founded Fiat SpA in 1899; his grandfather, the flamboyant Gianni Agnelli, multiplied the family's riches while partying with Jacqueline Onassis and jumping out of helicopters for kicks. The lanky, lower-profile Elkann runs a family-controlled holding company in the Netherlands, Exor NV, which had €38 billion ($45 billion) in net assets at the end of 2024, with the Agnelli family stake valued at about €10 billion. Not only is Elkann responsible for managing the fortunes of 100 or so relatives, he's also trying to transform Italy's legacy companies into international giants that can survive another century. That quest has become more difficult as incumbent automakers struggle to compete in the age of electrification and the rise of China.

Elkann in 2023 at the Formula One Grand Prix in Spielberg, Austria

Over the years, Elkann, who counts Jeff Bezos, Sam Altman and LVMH's Bernard Arnault in his network, has diversified away from the mass-market auto business, venturing into luxury, health care and technology. Doing so helped him boost Exor's net asset value per share 14 times since March 2009, when the company was listed in Milan. He also became a smaller shareholder in a bigger auto company, one supposedly big enough to survive the industry's upheaval. His most valuable asset is a controlling stake in a separate and much more profitable car company, Ferrari NV, which represented almost half of Exor's entire value last year, while Stellantis accounted for just 13%.

If Stellantis, formed from the 2021 merger of Fiat Chrysler and France's PSA Group, is Elkann's link to the past, it's also his problem, and a drag on his portfolio. "John Elkann longs to trade pistons for pixels, yet the road from Mirafiori to Silicon Valley is treacherous and muddy," says Carlo Alberto Carnevale Maffè, a professor of business strategy at Milan's Bocconi University, referring to the site of Fiat's headquarters. "He's perhaps betting on sleek M&A to redefine the empire, but the rust in Europe's car industry demands more than a visionary's touch to shine."

With Tavares out, Elkann and the board had begun scouring the globe for a unicorn CEO: someone who understood manufacturing and auto retail, but who also had a clear vision for a future increasingly defined by software and batteries instead of internal combustion; a turnaround whiz who knew the US market but could navigate the internal politics of the three-way culture war among the company's American, French and Italian fiefdoms, not to mention a 248,000-person global workforce and restive unions; someone who could manage a newly assertive chairman and board filled with appointees safeguarding dynastic wealth and national interests. It's as much a turnaround job as it is a sort of United Nations ambassadorship. And that was just the internal assignment.

Then there was the global politics, which Elkann tried to stabilize as the CEO search got underway. He embarked on an international apology tour, mending fences with Italy's right-leaning prime minister, Giorgia Meloni, who'd clashed with Tavares over job cuts brought on by lackluster sales at the Italian brands Alfa Romeo, Fiat and Maserati. He assured President Emmanuel Macron of Stellantis' ongoing commitment to France, whose government indirectly owns a 6.7% stake via the state-owned investment bank Bpifrance, which has a seat on the board.

But Donald Trump was Elkann's biggest problem. The reelected president's vow to scrap EV targets and bring manufacturing jobs back to the US ran counter to Tavares' strategy for the conglomerate, which was to remake Stellantis as a nationless manufacturer primed for the EV transition.

Elkann, like many of the corporate chieftains hoping to get on Trump's good side, came to Washington bearing gifts. There was a $1 million donation from Stellantis to Trump's inauguration fund, along with the promise of more than $5 billion in new investment, including a pledge to reopen an assembly plant in Illinois that had been controversially shuttered during the Biden presidency. Trump accepted the peace offering, then unleashed a barrage of tariff and policy announcements, further destabilizing the auto industry by upending supply chains, scrambling investment decisions and leaving carmakers on the hook for billions of dollars in new duties.

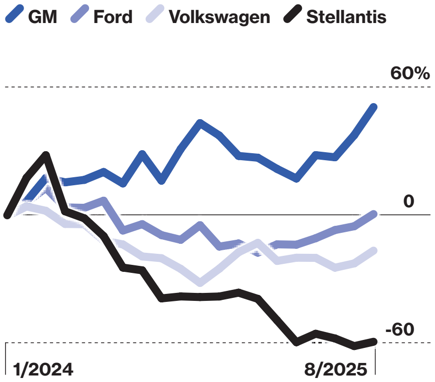
On a February call with investors reviewing Stellantis' annual results, Elkann dismissed a question from an analyst who asked whether he would consider breaking up the company, given the uneven pace of global EV adoption and rising geopolitical tensions. Toyota Motor Corp. and other companies were gaining share because of their global reach, not in spite of it, Elkann said. "I believe that in our case, where we have regional scale and global scale, we're actually very well equipped for the world to come." (Elkann and Tavares declined to speak to *Bloomberg Businessweek* for this article.)

After trying to lure several external CEO candidates, the post sat open for almost six months, until late May, when Elkann and the board finally announced that they hadn't poached an outsider to lead the company in its fight for survival but had promoted someone internally. Antonio Filosa, an Italian who'd successfully run Stellantis' South American division and had been with the company for 26 years, would be the new CEO. Filosa's profile had risen amid an exodus of senior management under Tavares; only seven months earlier he'd been promoted to run the North American operations. But in many ways, anointing him as CEO was a tacit admission of what no one was willing to say aloud: Outside talent wasn't exactly clamoring for this job.

At first, Elkann didn't appear to be the one destined to shepherd his family's 126-year-old auto dynasty. The eldest of three, he was 5 when his parents divorced, and he grew up looking after his younger siblings as his mother shuttled them from New York to London, Paris and Brazil. He eventually moved to Turin to study engineering. When Elkann's cousin, the heir apparent, died of stomach cancer at the age of 33, his grandfather turned to John, whom he'd also been grooming by having him work under a pseudonym at auto plants in Poland and the UK. He joined the board at 21 and took the helm of the company six years later, after the death of his grandfather and great-uncle. At the time Elkann took over, Fiat Group was the largest private industrial employer in Italy, and it was on the verge of bankruptcy. To save it, in 2004 he hired Sergio Marchionne, an outside CEO he believed would set up Fiat for a bright future.

Outperforming, Then Collapsing

Change in share price since Jan. 2024



Marchionne was a larger-than-life presence. A rumpled, chain-smoking workaholic, he carried six mobile phones to simultaneously fire off orders, orchestrate deals, kibitz with Elkann and charm the press with his candid assessments of the car business. He would become known on Wall Street as "Il Maestro" for saving Fiat and, eventually, the US car company Chrysler. The latter had long been the scrappy underdog of Detroit, lurching through booms and busts and being passed along to different owners seeking to profit from its American foothold. Lee Iacocca had saved the company by securing a bailout from Congress in 1979, then he invented a new hit segment: the minivan. When the 2008 financial crisis happened and Chrysler needed another government bailout, Marchionne and Elkann swooped in.

Marchionne breathed life into Fiat Chrysler Automobiles NV (the company's new name after Fiat bought out the remaining US stake in 2014) by reinvigorating its most prized brands, Jeep and Ram. In 2016 he retooled his car plants to make more SUVs and trucks, anticipating Americans' shift to crossovers and pickups. SUVs grew from 38% of the US market in 2016 to 60% in 2024, while car sales plunged, according to Cox Automotive. General Motors Co. and ▶

■ PHOTO: GAMMA-RAPHO/GETTY IMAGES ■ DATA: BLOOMBERG

◀ Ford Motor Co. would soon follow the shift to more SUV and truck production. During his 14-year reign, Marchionne, with Elkann, increased the value of the car business by more than 10 times by merging Fiat with Chrysler and later spinning off Ferrari.

Marchionne laid out his views on the auto industry in a now-famous manifesto, "Confessions of a Capital Junkie," which he presented as a 25-page slide deck in the spring of 2015. He argued that consolidation was the only way for the industry to achieve long-term viability. Car manufacturers' capital expenditures were steadily increasing to keep up with technology—electric motors and batteries, new software architecture, sensors for advanced driver-assistance features—but they weren't making a healthy return on their investments. He argued they should instead pool their efforts, sharing under-the-hood components the consumer would never see or touch and focusing their research and development budgets on features that would truly differentiate the brands. One-off joint ventures or collaborations didn't go far enough. To truly future-proof the car industry, Il Maestro argued, companies needed to merge, either with one another or with an established tech giant, to achieve the scale necessary to survive. He acknowledged that such a merger would carry executional risks, but it was ultimately a matter of "leadership style and capability"—namely his, though that part wasn't explicit.

Marchionne never got the chance to prove his case. An attempt to merge with GM was rebuffed, and in 2018 he died suddenly after undergoing surgery. Elkann, who'd been unaware of Marchionne's health problems, was shell-shocked. He appointed one of his top lieutenants, former Jeep CEO Mike Manley, as CEO. The mission became boosting profits to ready Fiat Chrysler for another merger, this time with a company that had EV technology—something Marchionne had largely ignored but the carmaker now desperately needed.

PSA Group, run by Tavares, wasn't Elkann's first choice, but it had that EV tech, and Tavares was regarded as a hero in France for reviving the company. In 2021, Elkann and the French Peugeot family completed a merger and created Stellantis, with Tavares as CEO and Elkann as chairman. In Tavares, who was born in Portugal and educated in France, the French government felt it had a protector of its interests, and Elkann had a leader who could take Fiat Chrysler into the next century. The company's center of gravity shifted to Paris.

Elkann, who had a close working relationship with Marchionne, stepped back when Tavares took over, and the board got comfortable with the consistent profits flowing in under Tavares. (A Stellantis spokesperson says Elkann's role at that time didn't require him to have day-to-day company involvement.) He had other parts of the family business to attend to, including Ferrari, *The Economist* magazine and bets on health care and tech. He'd been serving as interim CEO of Ferrari and made an inspired choice to lead the supercar maker: Benedetto Vigna, an Italian physicist who pioneered the use of 3D motion sensors in the Nintendo Wii and the iPhone. Elkann and Vigna regularly exchanged books on tech and philosophy. He'd struck up a friendship with Elon Musk after one of his companies assisted Tesla with the ramp-up of the Model 3, and Elkann invited him to join him for a fireside chat as part of Italy's 2021 Tech Week, where the two commiserated about steering companies through crises. Elkann was also plowing hundreds of millions into tech firms and mixing with Silicon Valley power brokers as a fellow media magnate at the Allen & Co. tech conference in Sun Valley, Idaho.

Meanwhile, Tavares went ahead with his vision. Like Marchionne, he said scale was key to Stellantis' survival, but with the caveat that EVs were the company's future. He laid out a plan to invest more than €30 billion to electrify Stellantis' model lines, build battery factories across Europe and North America and forge tech partnerships to access more advanced chips and improve software applications in cars. And he said all the right things: Stellantis' dozen-plus brands would finally be given the resources necessary to compete. The company's size would shield it from the disruptive forces reshaping the industry while saving it billions, he told investors in early 2021. He began cutting jobs, and he jacked up prices to take advantage of pandemic-induced supply shortages. The combination produced a high-octane earnings boost: The first year, Stellantis put up an almost 12% margin that was the envy of Detroit. The financial results were hard to argue with.

One thing Tavares didn't have a good grasp of was the US market. Nor would he listen to American executives who did. When interest rates rose, he refused to discount cars or make more features standard on base models. Instead, he kept prices high and cut deeper internally. Over four years, he dismissed more than 50,000 people, or almost 17% of the workforce. He replaced engineers in the US, France and Italy, who for decades

> "Elkann longs to trade pistons for pixels, yet the road from Mirafiori to Silicon Valley is treacherous and muddy"

had been fine-tuning Citroën, Fiat and Jeep, with lower-paid alternates in Brazil, India and Morocco. He demanded that suppliers sell him parts virtually at cost, then balked at requests for price increases to offset inflation, triggering lawsuits and even factory shutdowns. As long as Stellantis remained profitable, the board went along, even as Tavares was hollowing out the essence of its most important brands. (A spokesperson says the board was not complacent and asked Elkann to be more involved in June 2024 as problems emerged.)

By mid-2024, Tavares couldn't dismiss the US problems anymore. With unsold cars piling up and no strategy shift, key executives were leaving. That summer, Tavares gathered investors at the company's US headquarters in Auburn Hills, Michigan, and promised to deliver double-digit margins yet again. He offered a mea culpa over the US business, allowing he'd been "arrogant." But he had a plan: a slew of new EV models. Never mind that slowing EV sales were already forcing Ford and GM to cut production.

The vehicle launches didn't go well. Tavares had gutted factory crews and driven out a deep bench of manufacturing leaders with decades of experience, hampering both EV and gas vehicle rollouts. Earlier that year, line workers in Detroit had huddled on Zoom calls with an engineer in India to troubleshoot. In one instance, a cable needed to hook up the electronics in the Ram pickup was too short, but the schematic on the engineer's computer 8,000 miles away showed a different length. It took months to pinpoint what could have taken days in person, according to one United Auto Workers leader who was part of the group and asked not to be named commenting on internal matters.

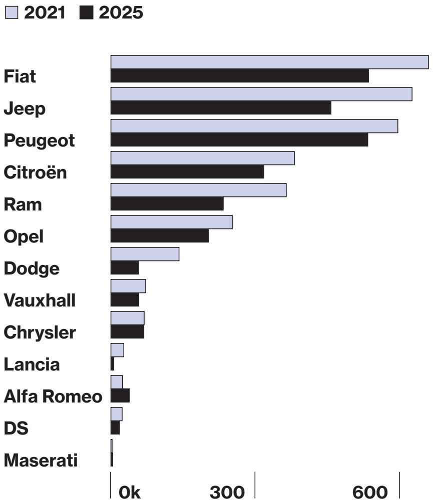
In the end, much of Tavares' product offensive was delayed, some models by months, others by years as the hype around EVs died down. The delays worsened an already deteriorating financial picture. Only when Stellantis reported its shocking profit shortfall in July 2024, tanking the stock, did the board realize the extent of the damage in the US, according to people familiar with the situation who asked not to be identified discussing internal matters. After accompanying Tavares on a trip to the US in August, Elkann started looking for a successor, people familiar with the process said.

Meanwhile, Tavares persuaded the board to push out his chief financial officer and continued to call for drastic cost cuts. But even his French champions were losing faith. Over the first weekend of December, Tavares was told that his strategic goals no longer aligned with the board's, and he was ousted. Tavares, who'd expected to serve until his contract ran out in 2026, left without a fight, taking with him a $27 million payout. "I did my very best when I was there, with my team," he told Bloomberg News in May in an interview in Portugal, where he's been investing in local companies and making port wine at his vineyard. "I was not alone and with the board."

Jeep was certainly not the only damaged brand, but it had the most to lose. Its value is almost mythical in the auto industry. Few vehicles are as deeply embedded in the American psyche as a Wrangler, cruising around in summer without its roof or doors. Jeep owners leave rubber ducks on one another's hoods as an act of good karma and ▶

◀ post nude selfies in their vehicles on Jeep subreddits. Even Bruce Springsteen once shilled for the brand, and it didn't feel completely farcical.

But the paradox of Jeep is that it's an off-road vehicle, and off-roading is niche. The more you try to expand it, the further you risk straying from what makes it unique. Many suitors have offered to take Jeep off Chrysler's hands since Iacocca acquired it in 1987, and many an executive has defiled it while trying to multiply its riches. Marchionne and his successor mostly pulled it off, but even they stumbled trying to make it translate in China.



Down Days

Global sales of Stellantis brands, January to June

■ *INCLUDES THE EU, UK AND EUROPEAN FREE TRADE ASSOCIATION MEMBER STATES. DATA: MARKLINES, COMPANY REPORTS. GLOBAL SALES CHART DOES NOT INCLUDE ABARTH

The company miscalculated again in 2021, when it brought Jeep into the luxury realm with the three-row Wagoneer and Grand Wagoneer, turning the rugged rock crawler into a land yacht topping out above $100,000. When the move upmarket backfired, Jeep didn't have enough competitive mainstream models to fall back on. Tavares had temporarily discontinued the Jeep Cherokee, a midsize SUV priced just less than $40,000, to transfer production from Illinois to Mexico to save on labor costs. The Grand Cherokee and entry-level Compass were also badly in need of a refresh. The hole Cherokee left in the heart of the SUV market was a gift to the competition. Jeep was losing customers to more affordable brands such as Hyundai and the boxy Wrangler rival, the Ford Bronco.

With Jeep's market share crumbling, the brand's CEO left in the fall of 2023, and Tavares recruited Filosa to take over. Filosa had started at Fiat in 1999 as a plant rat—industry slang for a manufacturing executive who toils long enough in the bowels of factories to appreciate the intricacies of high-volume manufacturing with speed and quality—going on to successfully run Fiat's Argentina business and eventually all of South America. Now in Detroit, Filosa had one goal: Stop the bleeding at Jeep. He lowered prices, made more premium features available at no additional cost and idled plants so dealers could sell off old inventory. But the problems he inherited had no quick fixes. Price cuts and marketing could do only so much; what the brand really needed was new products. In 2024 sales fell for a sixth consecutive year, and Jeep's share of the American SUV market slipped to less than half its 13% peak since 2000, according to Edmunds.

Then in early February, with Elkann still looking to fill the CEO post, Trump announced a barrage of tariffs, blowing up Stellantis' product plans in the process. He imposed a 25% duty on imports from Canada and Mexico, bypassing Congress. Stellantis executives in Detroit tried to estimate the size of the tariff bills, along with the cost of moving production and tweaking supply chains. They fielded letters from suppliers asking for financial help. The uncertainty scrambled the economics on imported vehicles.

Hesitant to sell cars whose cost he couldn't predict, Filosa—now running North America—halted production at two plants in Canada and Mexico in early April, temporarily laying off not only those workers but also hundreds of UAW members in Michigan and Indiana who made transmissions and stamped metal for plants across the border. The much-anticipated return of the Cherokee, now made in Mexico, was waylaid because its supply chain had to be reworked to minimize tariff costs. The less expensive Compass was about to get a long-awaited face-lift at a plant in Canada, but Filosa paused the newer model's US debut, creating panic among Canadian government and labor leaders.

Elkann shifted into diplomacy mode to try to convince Trump that leaving the tariffs in place would seriously weaken the very industry he wanted to protect. He joined the CEOs of GM and Ford on a call in March to plead with White House officials for an exemption for cars that complied with labor and other requirements in Trump's original trade pact, which some key Stellantis vehicles did. Weeks later, Elkann paid Trump another visit at the White House, and in April, he made an appeal from the podium at Stellantis' annual shareholders meeting. "The American and European car industries are being put at risk," he said. "That would be a tragedy, as car manufacturing is a source of jobs, innovation and strong communities."

The Trump administration did eventually make some concessions that helped American carmakers. The EU also agreed earlier this year to ease pollution rules, sparing Stellantis from an estimated €1 billion fine for exceeding emissions targets. But it was not enough for it to avoid significant financial hits. In April, Stellantis suspended its financial guidance for the year, citing tariff uncertainty, and the CFO later said trade duties would cost the automaker as much as $1.5 billion this year, roughly 27% of the 2024 net profit. (It restored guidance in July.) Not that its factory workers were buying those explanations of the company's struggles. "Tariffs are just an excuse," said Kevin Gotinsky, the head of the UAW's Stellantis division, at a rally outside Detroit.

During that period, Elkann had also been searching for Stellantis' new CEO both inside and outside the company. He'd sounded out José Muñoz, who in November was promoted to become Hyundai Motor Co.'s first non-Korean chief. He considered Mark Reuss, Mary Barra's No. 2 at GM, and former Fiat Chrysler CEO Manley, who'd gone on to successfully lead the US dealership chain AutoNation Inc. Elkann also was in contact with Luca de Meo, a former Fiat executive who'd executed an impressive turnaround of Renault SA. But by then, de Meo was already lining up a new job outside autos as CEO of Kering SA, the French luxury group that owns Gucci. (A Stellantis spokesperson in an email disputed this characterization, saying "the Board had a number of strong candidates ready to take up the CEO role at the end of the process, both external and internal.")

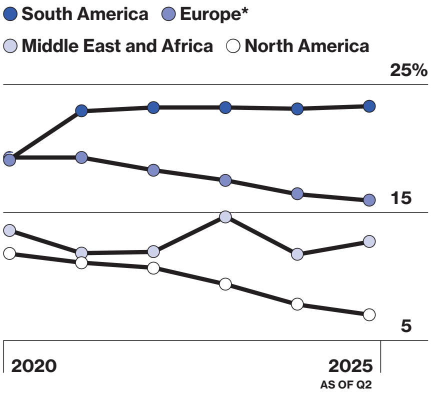
In late May, Stellantis announced it was promoting Filosa to lead the company. The 52-year-old was a loyal disciple of Marchionne's who has the reputation of an intelligent and humane "corporate chameleon" able to easily alternate between remembering line workers' names and applying pressure on white-collar underlings to get results, as one former colleague in Brazil described him. While Elkann had been scouring the globe for an external leader, he had also put Filosa through a CEO crash course, promoting him three times in the span of eight months. "Filosa was the board's top candidate because of his proven track record of leadership and his people-first mindset," says a Stellantis spokesperson.

While an internal hire meant the new chief wouldn't need time to learn the culture or diagnose what had gone wrong, it also reinforced just how unattractive the role was to outsiders, staring down the barrel of more losses, possible downsizing and the tariff mess, says an automotive industry analyst who asked not to be identified discussing the company's hiring process. Filosa's appointment also signaled the company's internal shift in power from France back to Detroit and Elkann's home country of Italy, whose factories had been gutted under Tavares. Days before Tavares was ousted, Filosa—who speaks fluent Portuguese as well as English and Italian—made a not-so-subtle jab at the soon to be former regime. "Speak whatever language you want—just not French!" he joked to a Bloomberg reporter last November. (He declined to comment for this article.)

In late July, Filosa had his coming out—his first Stellantis earnings call as CEO. The company had already front-loaded the grim news earlier: a $2.7 billion loss in the first half of the year, with the bulk of the tariff pain still to come in the second half. Filosa introduced himself as a leader who fixes problems and runs toward tough decisions, but it quickly became apparent that he still had fires to put out before he could offer any grand blueprint to fix the company. Filosa talked about reversing plunging sales in the US and Europe with upcoming products, but cautioned that a new plan wouldn't be ready until early next year. "Nothing works at Stellantis in the midterm if they don't fix the US quickly," said Philippe Houchois, an analyst with Jefferies in London.

Where Stellantis Is Slipping

Market share by region



Elkann, meanwhile, has been more involved with Stellantis than he's been in years. He helped woo back Tim Kuniskis, a 30-year company veteran who left under Tavares, then rejoined a week after Tavares was ousted. Known for reviving the Dodge muscle car brand with souped-up engines named Demon, Hellcat and Redeye, Kuniskis is now overseeing US retail and marketing strategy in the Trump era. If there's any American bravado left in Auburn Hills, he'll try to summon it. And he's getting a lift from Trump, whose rollback of EV targets and fuel economy rules will allow him to put popular engines back in the lineup. He's already returned the popular Hemi engine to Ram pickup models, and Stellantis has four new and refreshed Jeep SUVs arriving later this year, including the crucial Cherokee. In July, Elkann gave a speech in Stuttgart, Germany, in which he warned European policymakers not to underestimate Chinese competition and urged them to lighten regulations and bring back clean-car incentives to help Stellantis and its peers compete. Then he helped poach one of Renault's top design executives to head design for Stellantis' European brands, a coup after the company had been drained of seasoned engineering and marketing talent.

But Elkann's most telling moves are happening outside the walls of Stellantis. Days after Filosa's Wall Street debut, Exor agreed to sell Iveco Group NV, a trucking company with roots stretching back to Elkann's great-great-grandfather, to India's Tata Motors Ltd. and an Italian defense company for more than $6 billion. It was another sign the scion is untethering himself from manufacturing to free up cash to invest in high-growth industries such as tech, biotech and luxury. At the start of 2025, Elkann joined the board of Meta Platforms Inc., while Exor also invested in a data analytics firm and increased its stake in the health-care technology company Koninklijke Philips NV.

There could be more dealmaking in the offing for Stellantis: Earlier this year, Elkann hired McKinsey & Co. to develop a strategy for the struggling Alfa Romeo and Maserati brands, which face yet another headwind from Trump's tariffs. (Filosa has sought to tamp down speculation, telling Italian financial newspaper *Il Sole 24 Ore* that Maserati is not for sale.) The plan for Stellantis, at least for now, seems to be to get the company back in a financial position that gives Elkann a better hand to play. A Stellantis spokesperson says its chairman has "never walked away from problems" and has been a "supportive owner through difficult times" by giving management the resources needed to adapt.

But as much as Elkann prizes innovation, he's an industrialist, much like his great-great-grandfather. His primary duty now is to play the role of investor and expand the family fortune, not fight a fading auto industry. He will shrink parts of the Exor empire to turn to more lucrative things if he needs to—and he's already started. *—With Daniele Lepido, Henrique Almeida, Leonardo Lara, David Welch and Devon Pendleton*

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PURSUITS

Wellness Is Hard. It’s OK to Cheat

By Chris Rovzar

Illustrations by Sean Dong

We’re drowning in biohacking podcasts, pricey longevity clubs, celebrity-endorsed supplements and health trackers reporting our every step and snore. There has to be an easier way

The other day, I woke up an hour before the rest of my family, stumbled into the bathroom and picked up a black bodysuit that hangs on a peg behind the door. Rubbing the sleep from my eyes, I put the suit in the shower, drenching the nylon fabric and its rows of metallic pads until they were soaked through. Then I put it on, tightening the straps along my sides, legs, shoulders and arms, and walked, dripping slightly, into the living room. I flipped on my iPad and found a strength-training video on the Katalyst fitness app, popped my AirPods in and began to work out.

As an extremely attractive trainer led me through a range of bodyweight exercises, the suit sent electric pulses through the wet stim pads into my muscles in a pattern–four seconds on, four seconds off, for 20 minutes. The stimulation isn't painful, exactly, but by the end of my workout, the jolts were so intense my muscles froze up with every movement–leaving me grunting and gasping, soaked in sweat, ready to collapse under the strain. If my 4-year-old daughter had walked in, she surely would've thought I was under some kind of witch's curse.

At some point in your 40s, you start doing weird things to your body.

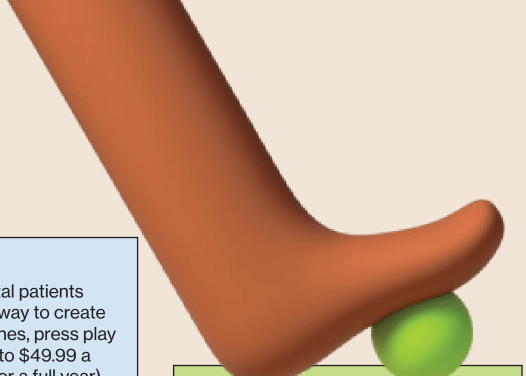
I started using the Katalyst suit and app in March to speed up my fitness recovery after a couple of winter injuries. Foot surgery, followed swiftly by a fractured elbow from a slip on the ice, left me unable to exercise for months. My physical deterioration was frustrating–and not great for my mental health. What I was looking for was a shortcut back to feeling strong.

I wanted to find, well, a little cheat.

We Americans love a lil cheat. Walk into any CVS, and there are aisles and aisles of them. You'll find collagen gummies to thicken your skin and hair, tinctures to hack your way to a good night's sleep and pills to boost your metabolism. (Grand View Research estimates the health supplement industry is a $112.6 billion market.) CVS even offers that old chestnut, horny goat weed, and every kind of whitening toothpaste imaginable.

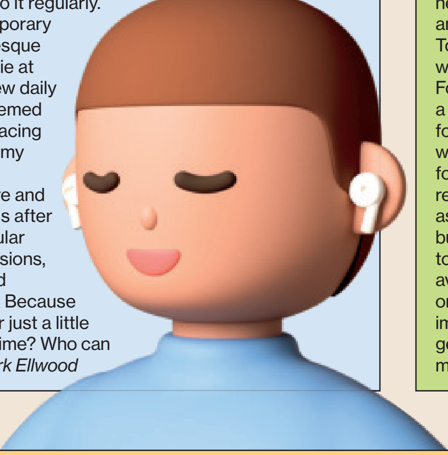
Yes, you could've brushed and flossed flawlessly your whole life and never tasted coffee, but you know what? You didn't.

What you need to know about some of the buzziest lil cheats of the moment



Xanax in Your Ears

It was an attempt at soothing nervous dental patients that led the late neuroscientist Blake Holloway to create what's now NuCalm. Pop on your headphones, press play on the app (subscriptions run from $14.99 to $49.99 a month, with a 10% discount if you sign up for a full year), and you'll hear what sounds like music but underneath is an atonal frequency that works to shift the brain into so-called deep theta, that state associated with meditation and the initial stages of sleep. The ideal "dose" is three to four times a week for at least 20 minutes, and converts speak of deeper sleep, better focus, lower blood pressure and relief from anxiety when they do it regularly. The contemporary symphony-esque sound is eerie at first, but a few daily sessions seemed to slow my racing mind. When my cortisol was tested before and a few months after starting regular NuCalm sessions, it had dipped significantly. Because of the app or just a little more downtime? Who can say? —*Mark Ellwood*

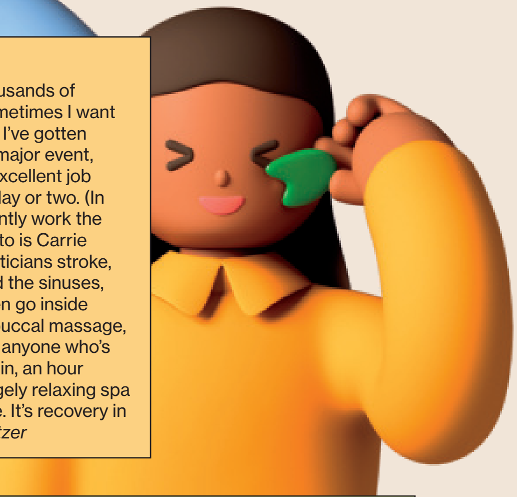


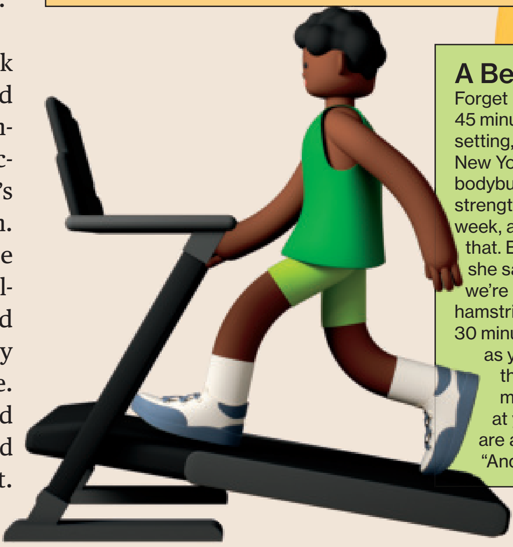
Sole Renewal

Have only two minutes and a tennis ball? That might be enough to feel better after a difficult day. The tough membranes that connect our muscles are known as myofascial tissues, and working to release the tension in that network is a shortcut to stress relief and better circulation, says Tatsiana Toumel, a sports therapist and head of well-being at Eriro in the Austrian Alps. Focus on your foot fascia, she says, via a ball rolled back and forth on the sole for two to five minutes several times a week. While seated, gently press your foot onto the ball and then release; repeat in every area of the sole, as well as the foot's outside edges. Be firm but listen to your body. "It's important to apply comfortable pressure and avoid pain," Toumel says. It should take only a week or so to start feeling an impact—less foot pain, yes, but also generally more calm and an increase in mobility. —*M.E.*

Sculpt Your Face

I lack the pain tolerance and tens—or hundreds—of thousands of dollars necessary for a deep plane face-lift. And yet sometimes I want to look like I have sculpted cheekbones (or at least as if I've gotten eight uninterrupted hours of sleep). So before I go to a major event, I schedule a sculpting facial treatment, which does an excellent job of simulating the current "snatched" beauty ideal for a day or two. (In a pinch, I can also use a gua sha device on myself to gently work the fascia and push the fluid around under my skin.) My go-to is Carrie Lindsey's Brooklyn or Manhattan studios, where aestheticians stroke, massage and (gently) pinch the skin, particularly around the sinuses, chin and cheekbones, and under the eyes. They will even go inside your mouth—with consent and surgical gloves on—for buccal massage, which hollows the cheeks and feels especially good for anyone who's a teeth grinder or jaw clencher. The results are clean skin, an hour spent blissfully doing nothing but listening to that strangely relaxing spa music, and a face with reduced jowls and a tight jaw line. It's recovery in itself, instead of requiring recovery time. —*Marisa Meltzer*





A Better Fat Buster

Forget pounding a flat treadmill breathlessly for 45 minutes and opt instead for a brisk uphill-walk setting, says Bev Ratcliff, a trainer in Brooklyn, New York. Steady, low-intensity hill walking is how bodybuilders traditionally cut fat, she says, saving their strength for weight training. "You can do four hill walks a week, and you're barely going to notice the fatigue from that. But give me four runs, and I'm going to be sore," she says. And yet "you're pulling yourself up a hill, so we're getting more glute activation, more quads, more hamstrings, more calves." Ratcliff suggests doing 15 to 30 minutes at a time, varying inclines from 4% to 10% as you go. Keep hips relatively close to the front of the treadmill and don't hold on, as that neutralizes many of the benefits. And look ahead, rather than at your feet, so you don't strain your neck. "People are always trying to find this glitzy thing," she says. "And I'm like, 'Just do what works.'" —*M.E.*

So, cheating it is! (Call it "boosting" if that makes you feel better.)

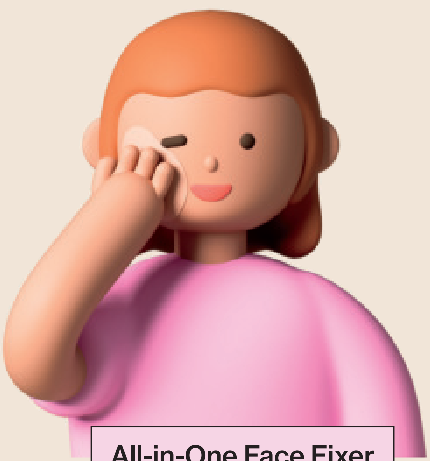
This isn't plastic surgery I'm talking about, or taking steroids, or even going to Turkey to get your hair replaced. It's not about never dying or suddenly rewinding your face by 40 years like Kris Jenner. These are just minor amplifications—the same way pressing up-up-down-down-left-right-left-right-B-A-start on your controller used to get you 29 extra lives in *Contra*, the early Nintendo shoot-'em-up game I could never seem to win as a kid.

That's exactly what I thought of when I heard Katalyst's suits use electro muscle stimulation (EMS) to cause muscle contractions that supercharge your workout. In 2022, Katalyst raised its Series A funding round of $26 million with buy-in from firms such as Incisive and Unlock Venture Partners; Cindy Crawford and Rande Gerber even invested. I ordered the $2,999 Gen4 Training system, the newest suit, which comes with a free three-month membership to the app that runs the suit and offers guided workout sessions. (It's $37 a month after.) That's about the cost of a year at luxe gym chain Equinox.

What does it feel like? Well, for the parents of young children out there: You know how you have to learn how to do all your everyday tasks while someone is yanking your pant leg and shouting "Dad! Dad! Dad!"? This is like that, only the task is a normal workout and, instead of being yelled at, you're getting electrocuted.

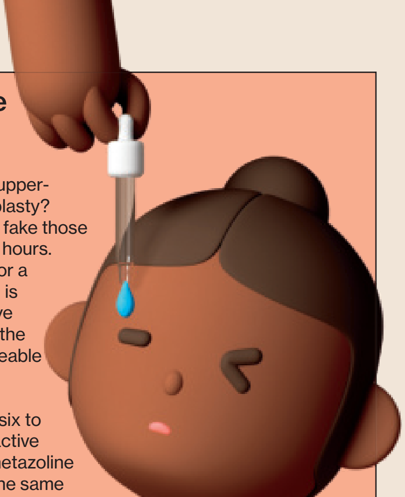
The jolt tickles your muscles at first, then it really gets crackling, buzzing you to the bone and making it all but impossible to even raise your arms above your head. But you get used to it. And 20 minutes pass quickly. Now I can handle intense pulses. The day after a session—even that same afternoon—I'm quite sore. It feels good to know it's working.

Before the suit, I tried everything else. I've been trained in person and online by both humans and artificial intelligence. I've tried Barry's Bootcamp, CrossFit, logging my diet, even Herbalife. I have a personal rule that if anyone invites me to engage in a new form of exercise, I have to say yes. So I've dabbled in Solidcore, Zumba, Orangetheory, Soulcycle, Aarmy, Physique 57, Shadowbox, Row House, ▶



All-in-One Face Fixer

It might be fun to watch influencers transform themselves with a 37-step makeup application, but off-screen, most of us want multitasking products that work without making us look as if we're wearing 37 layers of anything. This might explain the exploding popularity of skin tints. The category has grown almost 27% this year, according to the Spate Popularity Index. A more lightweight and smarter cousin of the tinted moisturizer, and not as heavy or labor-intensive as foundation, the tints often contain SPF and skin-care ingredients including squalane, niacinamide and hyaluronic acid. They don't produce miracles, but they can blur fine lines and give you a subtle glow. Try Ilia Super Serum ($48) for the best shade selection, Summer Fridays sheer ($42) for the best glow and NYX Buttermelt Glaze soft glow ($16) for a more affordable option. —*Cheryl Wischhover*



Instant Eye Lift In a Dropper

Not up for a full upper-eyelid blepharoplasty? There's a way to fake those results for a few hours. Upneeq ($150 for a 30-dose supply) is a prescription eye drop that raises the eyelid by a noticeable 1 millimeter in 15 minutes, an effect that lasts six to eight hours. Its active ingredient, oxymetazoline hydrochloride (the same chemical in Afrin), causes a tiny involuntary muscle in the eyelid to contract, resulting in a more awake and refreshed appearance. Upneeq was developed for people with medical conditions such as a droopy eyelid, but makeup artists and cosmetic dermatologists love it for the occasional big photo moment—weddings, a red carpet, etc. "It's a great, innovative product that has served me and my patients well," says Elizabeth Hale, a board-certified dermatologist in New York City. The most common side effect is irritation. —*C.W.*

Snore Less, Sleep Better

Breathing through your nose has major benefits: It filters dust and pollen, humidifies the air you take in and produces nitric oxide, making it easier for nutrient-rich, oxygenated blood to reach organs. It's also noticeably quieter. Mouth tape, a social media darling, claims to encourage this, but it works only if you can get enough air through your nose. A soft medical-grade nasal dilator called Mute holds your nostrils open like internal scaffolding. The flexible plastic insert slips inside each nostril, straddling the septum. Each D-shaped loop locks into one of four positions, letting you adjust the fit, expanding to about half an inch. A three-pack is $23 and lasts 30 nights, though with cleaning you can likely extend that. After a month, Mute felt surprisingly comfortable, opening my nose better than breathing strips. Sleep deepened, snoring quieted, and mornings started without that groggy, not-quite-rested haze. —*Sal Vaglica*

The Good-Sleep Sidekick

As anyone who shares a bedroom can attest, temperature is a tricky thing. The right thermal environment, as sleep researchers call it, is key, yet not everyone agrees on what that is. Enter the Eight Sleep Pod 5 Ultra. Like previous generations, the newest Pod (starting at $5,248 for queen size) features a tubing-filled mattress cover that you place under your fitted sheet. A heat pump rests on the floor near the bed and circulates water through the cover, splitting the mattress into two zones based on each sleeper's preferences. It can be scheduled or adjusted on the fly from 55F to 110F. There's also a Pod Base for each side of the bed, a 3-inch-thick metal slab covered in fabric that slides between the mattress and the box spring to support more comfortable reading. It can also raise a sleeper's head on either side of the bed automatically when it detects snoring. The Pod 5 line offers an optional water-filled blanket ($1,050) that mirrors the mattress temperature. Across a month of testing, it took me an average of 21 minutes to fall asleep, beating Eight Sleep's 30-minute benchmark for adults. Deep sleep made up 17% of the night, within the recommended 15% to 20%. The Pod's artificial intelligence ($17 monthly subscription) monitors your sleep—tracking breathing, snoring, heart rate and movement—and makes adjustments to help optimize your night. —*S.V.*

◀ hot yoga, hotter yoga and even a Pilates class called Chaise 23 because it was on 23rd Street in Manhattan and you did all your exercises in a chair.

Some of you will think this list is normal for a fitness person. Others will think, “That man is dented in the brain.” Good news: You’re both right! But I test products and experiences for a living. I want to try most things at least once. And fitness is better than hard drugs.

I started thinking about what other lil cheats I could employ to feel or at least *look* as if I was doing everything right. I’ve done a lil Botox in my forehead for years. Should I do more? What about *lasers*—lasers sound amazing! I take a lil melatonin to help me fall asleep, plus collagen to keep my hair shiny and my skin bouncy. What else should I be taking? Once a year I employ a box of Crest Whitestrips to bleach away the signs of my coffee addiction. Every other night I apply Dr. Dennis Gross’ Alpha Beta chemical exfoliant pads to ruthlessly scrape the top layer off my face and encourage fresh skin cell growth underneath. (These really work, by the way, but sadly not even the pads can heal the brain dents left by a lifetime of thinking you’ll never be perfect enough.)

I don’t qualify for a GLP-1 like Ozempic or Wegovy for weight loss, but those miracle drugs are the ultimate cheat codes, like the “TURTLE” command in *Grand Theft Auto* that gives you max health and armor. It’s not that people who take them can eat crap and never exercise; it’s that, when you do eat a responsible diet and move your body, those things actually work.

Looking into what else is out there, I dipped my toe into the buzzy world of longevity. I listened to *Huberman Lab* health improvement podcasts and checked out the supplements offered by Bryan Johnson, the billionaire biohacker with the hyperintense anti-aging regimen. (It involved swapping blood plasma with his own son.) I read up on high-end healthspan clubs such as Continuum, which uses blood panels, X-rays and VO2 max testing to design fitness and nutrition programs for a mere $50,000 a year.

I read *Outlive* by Peter Attia, wherein I learned about rucking (carrying 50 to 60 pounds in a backpack as you walk around) for as long as four hours a week, using the sauna four to seven times, taking three or four cold plunges, plus VO2 max workouts and continuous glucose monitoring. And this is where I stopped.

Does that sound like bliss to you? It doesn’t to me. It sounds like a whole lot of miserable work. (Except the saunas part.)

Of course I want to live better, longer. At least, I *want* to want to. I wish I could be diligent enough to build my whole life around my health—or wellness or self-care or healthspan or whatever we’re calling it at the moment. But I’m not. Who has time for all that? I have a kid, a job and people in my life I like to see. The truth is, many of these therapies will turn out to be flashes in the pan. No matter how convincing, health fads almost never last more than a few years. The only principles that endure are the ones we’ve always known about: eating right, exercising consistently, getting enough rest, being assiduous about mental health and being a part of a supportive community.

Even the podcaster Andrew Huberman admits this. “The things that make 90% of the difference—like sleep, exercise, nutrition, light, stress management, relationships, etc.—in our health are the things that we have to do 90% of the days in our lives,” he said during a July episode.

It can be frustrating to try the same things over and over, the stuff that works for other people, and not experience those results yourself. Is it any wonder we’re eternally in search of new cheats in those arenas? I’ve been through it for years on the fitness beat.

But here’s the thing: The Katalyst suit worked. With it, my normal Barry’s Bootcamp and weightlifting routine got supercharged. In six months, I lost a barrier of fat around my waist, shed about 10 pounds and gained muscle. I dropped a belt size, and my posture improved. What’s more, *I* improved. Because that lil cheat gave me the encouragement to watch my diet, to get more sleep, to eat more protein and vegetables. Could I have achieved the same results with a trainer and nutritionist? Probably. Did I have the time or the patience for either? I did not.

The lil cheat, whether it’s a gummy, a suit or an exfoliating pad, might just be what encourages you to press on and try harder. When my teeth are white, I’m better about flossing. When I’m using retinol, I’m better about wearing sunblock.

We have to accept that many of the shortcuts at CVS (and certainly on the internet) are placebos: According to the *Journal of American Medicine*, supplement users are more likely to report very good health, have health insurance, use alcohol moderately, eschew cigarette smoking and exercise more frequently than nonusers. They’re better people, *and* they take supplements. They’re not better people *because* they take them.

But when I was a little kid surrounded by older boys who were great at *Contra*, I felt like I needed the code just to get started. When I had that boost, the game became less intimidating and more fun. I had a reason to keep trying.

So if you’re feeling overwhelmed by all the health buzzwords out there, by the fitness tracker data dumps and the celebrity MRI startups and the rucking of it all, I encourage you to let yourself indulge in a few lil cheats. You might find they get you into the game again, the way putting on a wet bodysuit and being sizzled with electricity did for me. It made my life better—at least a lil bit.

What's With the Peptide Hype?

By Max Berlinger

Like many men his age, William Stern was tired. At 45, the entrepreneur, husband and father of three said he felt grateful but "run down" by his very full life. Meanwhile, on social media, he'd started seeing posts from influencers extolling a panacea for this sort of midlife malaise—injectable peptides. Stern texted a doctor friend and got one prescribed: tesamorelin, a weekly self-administered injection that prompts the release of growth hormone. A few weeks later he noticed a shift: more energy, powerful gym sessions, increased sex drive. "I don't want my kids looking at another father and saying, 'Well, he's my hero,' " Stern says. "I want my kids to see me as their hero. This is a cheat code to being a hero."

Peptides are part of the latest slew of treatments hyped at weight-loss clinics and gyms and on manosphere podcasts that lie somewhere between medicine and supplement. Popular health podcaster Andrew Huberman has dedicated multiple episodes to peptides, and Joe Rogan has spoken about them at length. Recently, Jennifer Aniston told the *Wall Street Journal* she takes them, saying, "I do think that's the future."

Simply put, peptides are long strings of amino acids that act as signaling molecules, telling cells to behave in certain ways. Synthetic versions have been around as ingredients in oral supplements and skin care, but the injectable form has more recently entered the mainstream. The best known of these is GLP-1, the active compound in blockbuster diabetes and weight-loss drugs such as Ozempic and Wegovy. Other injectable versions have been developed that tell the body to gain muscle, sleep more deeply and even increase melanin so you appear tan without sun exposure. NAD+ is the latest peptide to capture public attention with its purported ability to slow, and even reverse, cellular aging.

Boosters tout their ability to make you look and feel younger, lose weight and gain muscle faster than you could through diet and exercise alone. "Most people can benefit from the power of peptides," says Myles Spar, a board-certified internal and integrative medicine doctor. "A patient with autoimmune disease and inflammation, a patient with metabolic problems like obesity and insulin resistance, or a healthy athlete, entrepreneur or high-performing person that wants to just improve and get better results out of their workouts. It's great for people looking to get to that next level."

But as the pop-culture buzz about these products reaches a fever pitch, other experts urge caution. "It feels like there's a peptide circus wrapped up in a longevity carnival," says Jordan Shlain, an internal medicine doctor and founder of Private Medical, a concierge practice. Of NAD, he warns, "the science is way too early, and the placebo effect is real. It's supposed to slow down your aging, so I don't know how you can measure a result."

Despite the lack of medical consensus, the peptide-curious will have no trouble finding a cadre of physicians and telehealth companies that specialize in the therapy. A standard scenario would include an initial consultation with a specialized physician, plus some blood work, before receiving a prescription. Most plans cost somewhere from $300 to $1,200 a month, typically not covered by insurance, and require that patients prick themselves in the stomach with a syringe a few times a week.

Should you indulge, you may soon find yourself spouting off chains of peptide numbers and jargon, terms like BPC-157 (used to speed workout or injury recovery and reduce inflammation), CJC-1295 ipamorelin (which encourages growth hormone production that equates to more energy and stronger muscles), GHK-Cu (hair growth) or melanotan (a burnished complexion). Suddenly you may find yourself with a drawer of syringes or a fridge of small vials, telling friends about your current "stack," or peptide regimen.

Even with a prescription in hand, navigating this frontier isn't without its complications. Certain peptides move in and out of US Food and Drug Administration approval, and there's a gray market of compounding pharmacies that sell injectable peptides for lower prices but with dubious origins. Online forums of "biohackers" self-prescribe remedies outside the traditional medical system. Pedro Gonzalez, a board-certified physical medicine and rehabilitation physician in Chicago, stresses how important it is to seek out doctors with proper accreditation, and he encourages patients to ask about sourcing and FDA approval.

Still, Gonzalez says this industry is poised for growth. The global peptide therapeutics market, which includes GLP-1s and their ilk, is expected to reach $84 billion by 2034, Precedence Research shows. "I think we're going to continue discovering more peptides," he says. "I don't think this is going to disappear. It's going to be a big tool for people interested in health and longevity."

The (Not So) Easy Allure of Ketamine Therapy

By Michelle Lhooq

At first glance, it seems no substance better assuages the anxieties of our accelerationist era than ketamine. The dissociative drug—a rapid-acting substance that increases the brain's neuroplasticity and has antidepressant effects—slows time into a serene flow, offering a tranquil(ized) alternative to the doomscrolling status quo. That a common anesthetic used to sedate humans on operating tables, not to mention horses, has become a trendy mental health hack is an unexpected outcome, especially given how unsettling the deeper ends of a ketamine trip, also known as a K-hole, can be.

Companies courting the $3.4 billion ketamine market tout the powerful drug as a way to heal our existential doldrums while also enhancing cognitive function. Social media marketing positions ketamine as a faster and more effective alternative to selective serotonin reuptake inhibitors (SSRIs). "There's a whole nexus of interventions, many of which come with packages, products and price tags, that promise some version of leapfrogging the human condition," says Jamie Wheal, co-author of *Stealing Fire: How Silicon Valley, the Navy SEALs, and Maverick Scientists Are Revolutionizing the Way We Live and Work*. Wheal places ketamine alongside infrared saunas, ice baths and supplements in the life-hack space that influential "biohacker bros" such as Tim Ferriss and Dave Asprey have hyped.

"I was with a CEO a few months ago, and he happily brought out his ketamine nasal spray as an evening relaxant," Wheal recounts. "He basically said, 'This is totally awesome for depression, it's not addictive, and it helps you rewire your brain in better ways.' I was like, 'What doctor gave you that prescription, and didn't they teach you what you're getting into?' "

Ketamine rose to prominence through a confluence of legal loopholes and social paradigm shifts. In the late 2010s, investors poured capital into ketamine startups such as Field Trip and Nue Life Health, which presented themselves as innovators in the first psychedelic renaissance. Because of its widespread use in hospitals, doctors can prescribe ketamine off-label to treat mental health conditions, making the drug an easy candidate for companies seeking profits in psychedelics.

The hype intensified in 2019, when the FDA approved Spravato, Johnson & Johnson's patented nasal spray, as a treatment for depression. Then, during the Covid-19 pandemic, a relaxation of federal law allowed medical providers to prescribe controlled drugs virtually. This opened the door for companies including Mindbloom Inc. and Joyous Inc. to operate entirely online and ship ketamine lozenges and injectables directly to customers. Because ketamine telehealth companies operate in a legal gray area with scant regulation or federal oversight, treatment protocols and prices vary widely—in short, they're making up the rules. Joyous offers a daily microdose regimen for $129 per month, whereas Mindbloom charges $1,254 for six sessions spaced over roughly three months. Still, telehealth remains much cheaper and more accessible than in-person treatments, which typically cost from $400 to $800 per session.

Getting ketamine online is straightforward. First you choose a package and fill out an online questionnaire. After coughing up your credit card number, you video chat with a licensed prescriber, who asks questions about your physical and mental health history. After a few days, a box arrives with your medication, which you take at home, ideally with a trusted person around. Companies also provide "guides" or "care teams" that check in with you. Soundtracks, meditations and breathing exercises are also offered in their companion apps.

The streamlined systems and sleek interfaces of these platforms seem like a seductive way around talk therapy or traditional SSRIs—ketamine as mood optimizer that rewires the brain with no hangover or unwanted side effects. But some experts warn of the potential for problematic use patterns or addiction, something that companies can gloss over or decline to disclose, and say that ketamine should be reserved for patients with serious conditions. (Joyous and Mindbloom didn't respond to queries about their messaging.) "Ketamine is for people with severe or treatment-resistant depression, not people who are like, 'Hey, I'm not feeling as chipper as I wish I was,' " says Samuel Wilkinson, an associate professor of psychiatry at Yale University studying the efficacy of therapeutic ketamine. "You don't shoot small targets with big guns."

Wilkinson notes that there are many unknowns about the drug that need additional research, such as whether it's effective as a microdose or damages the brain at high doses.

Using ketamine as a quick fix also runs up against other issues: The drug's effects are rapid, but they wear off quickly, and users' mental health issues tend to return when they stop treatment. "It could be grossly misleading to have people believe that you could take four or eight doses and you'll be cured," says Gerard Sanacora, director of the Yale Depression Research Center. Long-term ketamine use, however, can result in a host of physical effects, including bladder damage. "Antidepressants clearly have downsides," Sanacora says. "But replacing them simply with ketamine is very naive and misguided." Ⓑ

CEO DIET

How the Boss Stays Productive

By Kate Krader

Jacob Aarup-Andersen, CEO of Carlsberg Group

"I never use in-flight Wi-Fi. With Carlsberg brands sold in over 100 markets, I spend a lot of time in the air, and those hours are often the only uninterrupted time I get to focus. But the real foundation of my productivity is what I call FSN: fitness, sleep and nutrition. It's a simple framework, but it's incredibly effective. When I'm consistent with FSN, I show up with the energy and clarity needed to lead, make decisions and stay sharp across time zones. Productivity isn't just about tools or tactics—it starts with how you take care of yourself."

Mary Beth Laughton, president and CEO of REI Co-op

"I love walking—for the exercise, for the joy of being outdoors and for the way it opens up space in my day. There's a ton of research showing the mental and physical health benefits of time outside, and I really notice my ability to lock in and focus afterward. I try to get out a couple times a day. Often I'm on the phone, calling mentors, checking in with peers or catching up with my team. It can be hard to find the time to really go deep with someone in the office, but time tends to slow down outside."

Neil Clifford, CEO of Kurt Geiger

"I'm an early riser. My alarm is set for 4:47 a.m., the number of the house I was born in. Movement, meaningful conversation and curiosity fuel my mornings long before the workday begins. My best ideas often come before 9 a.m., whether on the drive into London, over a 6:30 a.m. coffee at Salvino with the breakfast gang or on the tennis court, where I push myself daily. This rhythm clears my head, sharpens my focus and sparks creativity. It's a routine I protect."

Scott Wiseman, CEO of Nocturne Luxury Villas

"My days start the night before. I jot down priorities to help frame the day ahead, so I'm not mentally rewriting my to-do list at 2 a.m. Come morning, I sit down for a quick breakfast with a side of half-a-dozen brain teasers to get the wheels turning. I have a strict Post-it note rule where I give a priority pass to only five additional urgent items for the day. When the day is done, I walk it all off."

Kevin Ross, managing director of Europe, Middle East and Africa for Under Armour

"Every day in the office, I write down almost the same list of things. Writing it down makes things really clear for me. I have three sections—what's critical, what's the task and what needs to be done—and I separate them by hours when I need to focus on them. Also, I go to bed every night at 9 p.m., and when I get up, I go straight to the gym. I don't know if it's a hack, but your body will adapt very quickly to consistency around how and when you wake up."

Susan Sarich, founder and CEO of SusieCakes

"I highlight each task on my master to-do list with green, yellow or pink highlighter. Green is urgent, must get done today; yellow is timely, must get done this week; pink is not urgent, a bonus to get done by the end of the month. This gives me a priority order in which to tackle tasks, and my goal is to cross off all the greens by the end of each day. A yellow or pink cross-off is a bonus."

Ella Mills, founder of Deliciously Ella

"Small habits add up. Instead of skipping exercise, I fit in what's possible—a 20-minute walk, 10 minutes of yoga or walking my kids to school. Letting go of the all-or-nothing mindset and focusing on small, consistent efforts has made all the difference."

Ellen Bettridge, CEO of Uniworld Boutique River Cruises

"When I really need to focus and get a lot accomplished in a short amount of time, I make a list, set a timer on each item, set a time limit on each item, set a timer and go. Nothing is better than crossing the items off."

Paul Needham, CEO of the Infatuation

"I'm a big fan of breakfast meetings. They get me out the door early and tend to be quicker than lunch or dinner, but you can still manage to get quality time in. By the time I walk into the office, I've already shifted into work mode. Plus, it's a great excuse to try a new spot or a fun hotel restaurant before the rush starts."

Rose Vangerven, CEO of Findlay Park Partners

"A newer 'productivity hack' for me is avoiding social media. I deleted Instagram as I came into my CEO role. I'd been thinking about it for a long time. I don't love being a product nor the time and attention these platforms drain. In my new role, I'm more acutely aware of my public profile; it seemed like a good time to part ways with social media. From a productivity perspective, I have seen a real difference. I'm less distracted, and I love it."

INSIDER INGREDIENT

Rose Parade

By Matthew Kronsberg
Photograph by Naila Ruechel

Curio Spice Co.'s Moroccan damask rosebuds and a spoonful of rose harissa from Spicewalla

Few would dispute the beauty of a rose, and its fragrance is almost universally adored. But as an ingredient in food and drink? Well, it's much harder to find consensus. "You have to be careful with rose, because it can be like eating perfume," warns pastry chef Michael Laiskonis in *The Flavor Bible* by Karen Page and Andrew Dornenburg.

Lately, though, chefs and food companies have embraced what the ancient Greeks called "the queen of flowers." Jeni Britton, founder of Jeni's Splendid Ice Creams, says, "Rose has been building momentum for years." She should know. Her first ice cream was Bulgarian rose, and the top-selling flavor of her new line of fiber bars, Floura, is raspberry rose.

Traditionally, rose is a foundational, highly symbolic flavoring in Persian and Indian cuisines, in which "the flower itself is revered," says Meherwan Irani, owner of the spice company Spicewalla and the Chai Pani Restaurant Group. Its long culinary history stretches back at least to fifth century Rome, when a cookbook by Apicius included a recipe for a rose pie made with calf's brains.

Fast-forward to the present, and the signature dish at Little Hen, a brunch restaurant with locations in Miami, Houston and New York City, is lushly pink rose-petal pancakes with rosewater-infused maple syrup. (If you make something with rosewater at home, use a light hand; it's easy to overshoot.) In Hudson, New York, Wm. Farmer & Sons has served rose petals with its "charcoaled" beets. The flower took pride of place on the summer menu at Noma in Copenhagen in the grilled Danish lobster with rose vinaigrette. Its product line, Noma Projects, also sells Wild Rose Vinegar and vegan XO sauce.

Fresh petals are considered edible, with two caveats: Make sure that they haven't been treated with pesticides or fungicides and that they're from actual roses—a rose by any other name (desert rose, we're looking at you) can be toxic. Cheetie Kumar, chef and co-owner of Ajja in Raleigh, North Carolina, recommends thinking of rose "like vanilla or cinnamon," she says. "It's supposed to boost the natural flavors of whatever's around it." In moderation (so the flavor is delicate, not soapy), it imparts a floral richness that adds depth to both savory and sweet dishes, pleasing the nose as much as the mouth. Kumar developed a rose harissa—a North African seasoning—for Spicewalla, with ground petals amplifying the fruitiness of ancho chiles. The blend works beautifully with roasted root veggies or made into a paste with oil for a chicken marinade or condiment.

RECIPE FOR APRICOT-ROSE COUSCOUS

From Claire Cheney, Curio Spice Co.

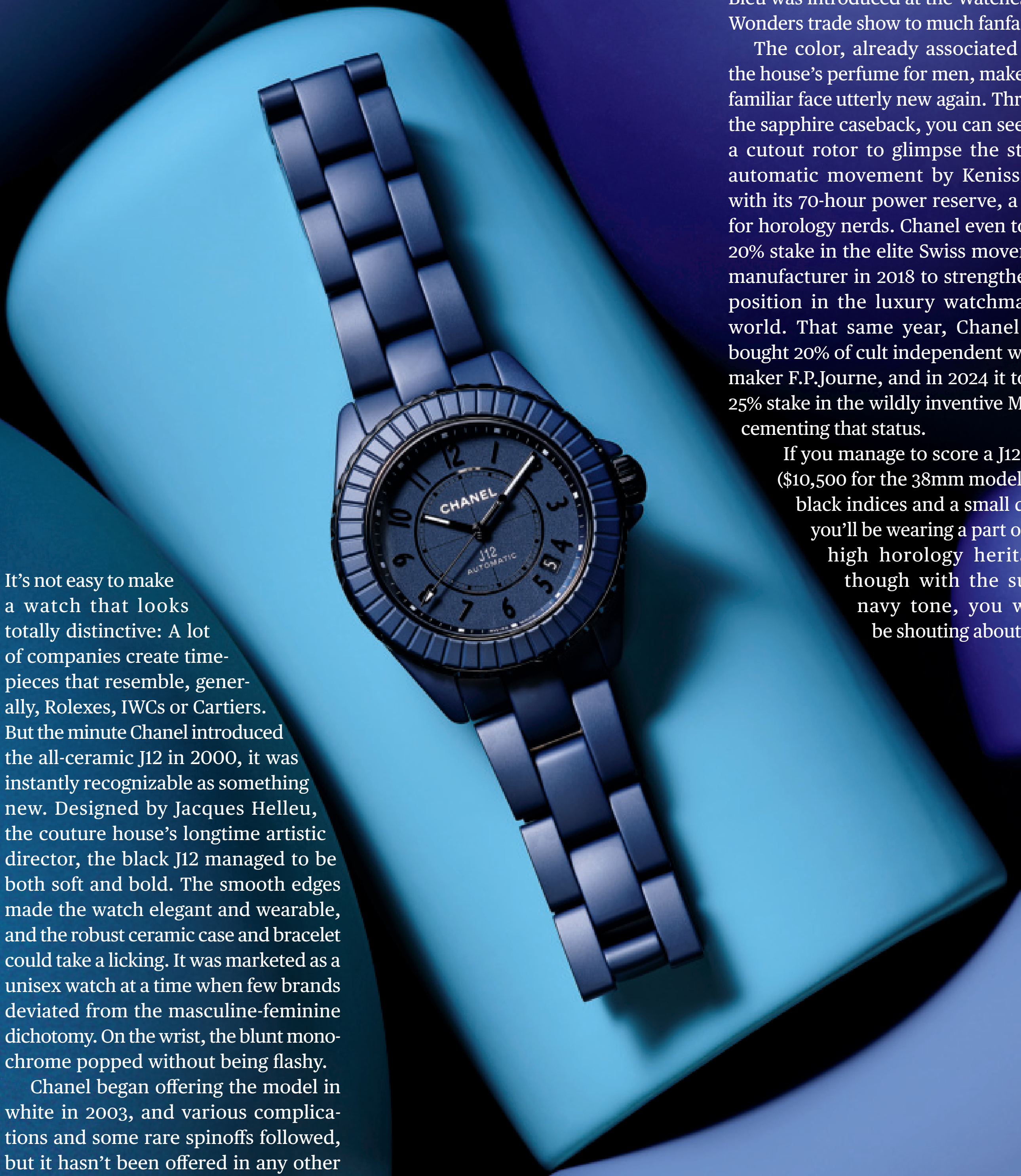
Serves 4

In a pot, bring 2 cups stock or water, 1 tablespoon extra virgin olive oil, 4 chopped dried apricots and 4 dried rosebuds to a boil. Turn off the heat and add 1½ cups couscous; stir well. Let sit covered for 5 minutes. Fluff with a fork. Garnish with extra slivered apricots and rosebuds, if desired.

For those who want the beauty of roses along with scent and taste, Curio Spice Co. offers fingertip-size dried damask rosebuds with a musky, almost smoky aroma. Add one of Curio's petals to a dish, and you'll unlock what the company's founder and "blender-in-chief" Claire Cheney describes as a "sweetness and sense of the natural world that's very enchanting." Even actress Pamela Anderson is tossing blossoms into food: A jar of her new Pamela's Pickles features roses in the brine, an undeniably inspired touch.

THE NEW BLEU

By Chris Rovzar
Photograph by Hannah Whitaker



It's not easy to make a watch that looks totally distinctive: A lot of companies create timepieces that resemble, generally, Rolexes, IWCs or Cartiers. But the minute Chanel introduced the all-ceramic J12 in 2000, it was instantly recognizable as something new. Designed by Jacques Helleu, the couture house's longtime artistic director, the black J12 managed to be both soft and bold. The smooth edges made the watch elegant and wearable, and the robust ceramic case and bracelet could take a licking. It was marketed as a unisex watch at a time when few brands deviated from the masculine-feminine dichotomy. On the wrist, the blunt monochrome popped without being flashy.

Chanel began offering the model in white in 2003, and various complications and some rare spinoffs followed, but it hasn't been offered in any other ceramic color until this year, when the J12 Bleu was introduced at the Watches and Wonders trade show to much fanfare.

The color, already associated with the house's perfume for men, makes the familiar face utterly new again. Through the sapphire caseback, you can see past a cutout rotor to glimpse the sturdy automatic movement by Kenissi SA, with its 70-hour power reserve, a treat for horology nerds. Chanel even took a 20% stake in the elite Swiss movement manufacturer in 2018 to strengthen its position in the luxury watchmaking world. That same year, Chanel also bought 20% of cult independent watchmaker F.P.Journe, and in 2024 it took a 25% stake in the wildly inventive MB&F, cementing that status.

If you manage to score a J12 Bleu ($10,500 for the 38mm model with black indices and a small date), you'll be wearing a part of that high horology heritage—though with the subtle navy tone, you won't be shouting about it.

BED & BEVERAGE

THE BUZZ IS BACK FOR BOUTIQUE HOTELS

By Sheila Yasmin Marikar

“It’s meant to be a little tight and hot,” says David Kaplan, co-founder of Death & Co., the New York bar (now chain) that made eight-ingredient craft cocktails a thing. He’s showing me through the nightclub in the basement of Municipal Grand, his hotel in Savannah, Georgia. “You’re going to bump into people as you go to the bathroom. The music will be loud. The cocktails will come out fast,” he says.

I’m touring the property before its July opening, not just to see the space itself but also to understand how it fits into a bigger picture of what the 43-year-old is creating with his burgeoning hotel brand, Midnight Auteur. Municipal Grand is his second endeavor; his first, the Ramble Hotel, opened in 2018 in Denver and was declared “the very picture of contemporary boutique chic” by *The Michelin Guide*.

Some might call it a reach for a man who specializes in cocktail bars—though his are famous, Kaplan has never bartended—to branch out into hotels. But he’s convinced he can cover the distance.

“The disco ball’s going to go over here,” he says, pointing to the black ceiling of the future Hot Eye nightclub, which during my visit looks like little more than a storage space. That’s when I realize Municipal Grand isn’t trying to be like most hotels in this perennially popular Southern city. For one, there’s the building: It’s a former bank and municipal facility built in the 1960s, the facade recalling midcentury Palm Springs, California. Most of its competition are draped in Spanish moss; this one is fringed by palm trees.

Then there’s what’s inside. Now that the hotel part is open, rather than creating luxury through four-digit thread counts and loyalty perks, Kaplan is going for a rollicking good time served with a soupçon of panache. It’s arguably even harder to come by and what people really want these days.

Consider the complimentary welcome beverages served on draft in the lobby, like a cachaça-infused riff on an Aperol spritz. Or the rooftop pool with striped chaise lounges, a state-of-the-art sound system and sweeping city views. Or the custom-made “Do not disturb” signs in the shape of a swan—a nod to the historic Forsyth Park fountain a few blocks from the hotel.

“A big part of luxury is incorporating beautiful touches,” Kaplan says. “And, for sure, a fun sense of discovery.”

The formula has been honed in larger cities by the likes of André Balazs (London’s Chiltern Firehouse, Los Angeles’ Chateau Marmont, New York’s Standard High Line) and Ian Schrager (Miami’s Delano) but largely lost to today’s neutral-toned, high-end hospitality scene.

Kaplan is one of a handful of hoteliers trying to bring back the buzz, beginning with smaller markets. There’s an

From left: Savannah’s Municipal Grand hotel, in a former 1960s bank building, opened in July. The lobby bar serves family-style batched drinks at happy hour. Breakfast at the Municipal Bar includes cocktail options, of course. Guest rooms, with midcentury-themed furnishings, start at $229 per night.

■ KELLY CALVILLO

appetite for "unique hotel experiences" such as these, says travel-industry consultant Scott Mayerowitz, especially after conglomerates InterContinental Hotels Group Plc and Accor SA acquired "fun" brands Kimpton and 21c Museum Hotels, respectively, "diluting some of the magic" of the boutique hotel space.

Luckily for travelers, Kaplan knows a thing or two about having a good time. In the two decades since the debut of Death & Co., he and business partner Alex Day have opened about 50 high-end cocktail bars and restaurants in locales as far-flung as Hong Kong and Mumbai under their hospitality company, Gin & Luck, of which Kaplan is the chief executive officer.

But it took an outside eye to help Kaplan realize that, instead of opening bars in hotels, he could simply open hotels himself. The idea came from Colorado real estate developer Ryan Diggins. When Diggins invited him to be a food and beverage partner for the Ramble in Denver, Kaplan found a vision not only for the bar—which is, true to form, an outpost of Death & Co.—but also for the hotel itself.

"We immediately aligned on our passion for what a boutique hotel could be," Diggins says, "a shared space with energy and authenticity, where locals truly want to hang out." Its quick success (the Ramble was reaching well-above-average occupancy levels within three months) proved that Kaplan, Day and Diggins had found a model that was worth re-creating.

"They aren't in saturated markets," Kaplan says. They're designed to serve as "third spaces" for locals as well as bolt-holes for out-of-towners. And all the creative direction—whether the interior design or the minibar offerings—is by the trio of Midnight Auteur partners.

They're looking to apply the formula elsewhere. Up next is a location in Bozeman, Montana, that Kaplan expects will open in 2027; then there will be a $25 million build-out in Boulder, Colorado. The goal is to expand the portfolio to 10 hotels, all in the US, with 50 to 120 rooms each. "Very bespoke from room to room," Kaplan says. Only 60% of the revenue is expected to come from accommodations, with the remaining 40% from food and beverage, which is typical for boutique hotels. At Municipal Grand, rooms start around $229 a night. At its restaurant, Municipal Bar, a seafood tower of hamachi crudo, chilled shrimp and oysters goes for $63; a Proper Martini Service for two, which comes with fries, runs $36. The Hot Eye nightclub opens this month.

Unlike Midnight Auteur's closest competitor, Experimental (a portfolio of 11 European hotels born out of the zeitgeisty Experimental Cocktail Club in Paris), Kaplan was deliberate about not borrowing the branding from his famous bars. Individual hotel names help preserve the made-from-scratch ethos of each location, he says. But there's also a practical consideration.

"With most hotels, the odds are that the real estate will, at some point, sell. If we had Death & Co. in the name, it would be a more complicated transaction," Kaplan explains, especially because he's crowdsourcing funds to expand the Death & Co. brand. As of late August he'd raised $4 million via various investor tiers (with attendant perks like priority reservations and having a cocktail named after you), and he's eyeing a sale in three to five years to focus on the hotels. "The key point is that Midnight Auteur's growth will continue," Kaplan says. He'll raise a glass to that. Ⓑ

BUGGING OUT

Fear and Loathing In the Multiplex

By Esther Zuckerman
Illustrations by Lulu Lin

When Will Tracy was writing the script for *Bugonia*, it was April 2020. Locked down with a newborn in a small Brooklyn apartment, he channeled it all into the work: "What was happening in the world and also what was happening in my own head, which was confusion, fear and paranoia," Tracy says.

In the film, Jesse Plemons plays Teddy, a man on the margins of society who's tried every ideology—alt-right, leftist, Marxist—but has settled on a belief in his own unique conspiracy. He's convinced that aliens known as Andromedons are living among humans and enslaving them. So he decides to fight back, kidnapping pharmaceutical boss Michelle Fuller (Emma Stone), who he believes is one of these extraterrestrials, to get her to admit her loyalty and summon her ship so he can negotiate. More bonkers: The premise doesn't feel all that far-fetched.

Bugonia, directed by Yorgos Lanthimos (*Poor Things*, *The Favourite*) and out in limited release on Oct. 24, is a distinctly 2025 project despite being an adaptation of the 2003 South Korean cult classic *Save the Green Planet!* It joins a host of recent and coming movies that feed on the ideas of conspiracy and paranoia that have engulfed global culture in the past five years.

This month you'll find the same undertones in *After the Hunt*, Luca Guadagnino's thriller (out in limited release on Oct. 10) in which Julia Roberts plays a Yale University professor who's consumed by doubt when her star student (Ayo Edebiri) accuses her beloved colleague (Andrew Garfield) of sexual assault. Roberts' character has reason to distrust both parties as well as her own opinions on the matter because of secrets in her past.

That same unease saturates Iranian dissident filmmaker Jafar Panahi's Palme d'Or-winning *It Was Just an Accident* (Oct. 15), which follows a former prisoner (as Panahi himself was) who kidnaps a man he thinks, but isn't certain, is his onetime tormentor. That real-world inspiration, as well as its real-world risks (it had to be made in secret in Iran), make the story far more urgent than, say, *Bugonia*, but it similarly forces the audience to question everything as its protagonist goes down a path of potential retribution. Just as 1970s films *The Parallax View* and *The China Syndrome* were preoccupied with the idea of covert corruption—a reflection of the ways Nixon's wiretapping scandals had seeped into the rest of the culture—our current post-truth era has resulted in a new rush of riffs on the uniquely modern fear that we can't trust our own mind.

Tracy, who co-wrote the eat-the-rich satire *The Menu* and also worked on *Succession*, sets *Bugonia* in a contemporary American context. (He says he watched the South Korean original only once.) But he made a careful effort to avoid leaning into political biases or turning Teddy into a caricature of a modern conspiracy theorist, whether it's anti-vax advocacy or QAnon. "Not every person who believes in every theory is wrong about everything," he says.

"In Teddy's case, some of his ideas are quite fevered and incorrect," Tracy says. "And then, as with a lot of conspiratorial thinking, some of the details and the diagnoses are wrong, but the identification of the symptoms can be quite correct." The screenwriter says he wanted to genuinely engage with Teddy's ideas as well as his pain, making it clear his protagonist had been "authentically abused by the system," which is represented by Michelle, the pharma executive. Teddy's mother was a victim of a drug trial gone wrong.

That's not to say Plemons' character doesn't commit some pretty heinous acts over the course of the movie—not limited to torturing Michelle with electroshocks and chemically castrating his mentally disabled cousin (Aidan Delbis) because he believes it's a way to clear the mind. But that desire to create a challenging empathy—if not absolution—is at the heart of the current slate of conspiracy-centered works. Although we don't necessarily have to understand or agree with the characters who fall down toxic, dangerous rabbit holes, we're meant to understand why they're attracted to those ideas.

It's a particular concern filmmakers have been wrestling with since the pandemic: how our psyches are shaped by our increasingly siloed, digital life. Production schedules mean all of this is just now hitting theaters.

Earlier this year, A24's *Eddington*, a period piece set in the summer of 2020 that Tracy executive-produced, rooted its characters in the pernicious slop each one is served by the internet. Stone, in that film also, plays the reclusive wife of the anti-mask town sheriff (Joaquin Phoenix). She becomes obsessed with a cult leader (Austin Butler), who preaches the Pizzagate-like existence of widespread pedophile cabals.

Eddington's director, Ari Aster, is a neurotic's neurotic—just watch his 2023 epic of anxiety, *Beau Is Afraid*. He framed the essential conflict of *Eddington* as one of disconnect; the citizens who live in this fictional New Mexican town are looking for relief from their isolation and anger during early Covid-19—a need that hasn't dissipated in the five years since. "This is a movie about people living in different realities who are unreachable to each other," Aster told *Wired*. He's also a producer on *Bugonia* and the person who encouraged Tracy to write the screenplay.

Even a short session of doomscrolling shows how deep those fractures run. "We're still kind of living in that lockdown in a certain way, or at least living in kind of the aftereffects of it," Tracy says. "It's seeped into all of our art in ways that we aren't fully aware of yet."

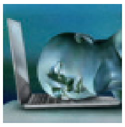
But while most of the population isn't kidnapping corporate executives to test whether they're alien life-forms, these movies warn us we're not starting from a place too far removed from those who do stray down a frightening path.

Pursuits Picks for October

By James Tarmy

BOOKS

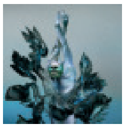
Enshittification: Why Everything Suddenly Got Worse and What to Do About It by Cory Doctorow (MCD)



Doctorow, a sci-fi writer and journalist, argues that a captive consumer base has allowed internet platforms to devolve into mediocrity. (People locked into Facebook, their data was mined, and the quality of content and ads deteriorated, for instance.) He popularized the title's term in 2022, then the American Dialect Society named it word of the year in 2023—and now it will be enshrined once and for all. *Oct. 7*

DANCE

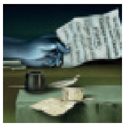
New York City Ballet's Fall Fashion Gala



It's a particular treat to go to the ballet when everyone on stage—and in the audience—is dressed spectacularly. Futuristic designer Iris van Herpen has created the costumes for a world premiere by Jamar Roberts, which will appear alongside William Forsythe's *Herman Schmerman* pas de deux from 1992, featuring costumes designed by Gianni Versace. *Oct. 8*

ART

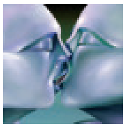
"Jacques-Louis David" at the Louvre, Paris



Even if you don't know the name, you're likely familiar with David's 1793 masterpiece *The Death of Marat*, which depicts the revolutionary (and the artist's friend) assassinated in his bathtub. David was instrumental in the French Revolution and is widely considered the father of the French School of painting. Featuring 100 works, the show marks the first major monographic exhibition on the artist since 1989. *Oct. 15–Jan. 26*

STREAMING

Nobody Wants This, Season 2



After an almost perfect first season, this genuinely funny romantic comedy, which flits ever so lightly across faith, culture and money, returns with almost impossible expectations: Will the meet-cute between Adam Brody's Noah, a rabbi under tremendous pressure to marry another Jew, and Kristen Bell's Joanne, who's (you guessed it) not remotely Jewish, actually turn into something meaningful? *Oct. 23 on Netflix*

MOVIES

The Mastermind

Following his breakout role as a petulant has-been in the tennis ménage-à-trois *Challengers*, Josh O'Connor now stars as a never-was in this tale of a small-town art heist gone wrong. Directed by Cannes favorite Kelly Reichardt, the film, set in the 1970s, zings with excellent character actors including Gaby Hoffmann and Hope Davis. *Oct. 17*

THE ART OF WAR

In Bleak Times, Museums Turn to Old Heroes

By James Tarmy

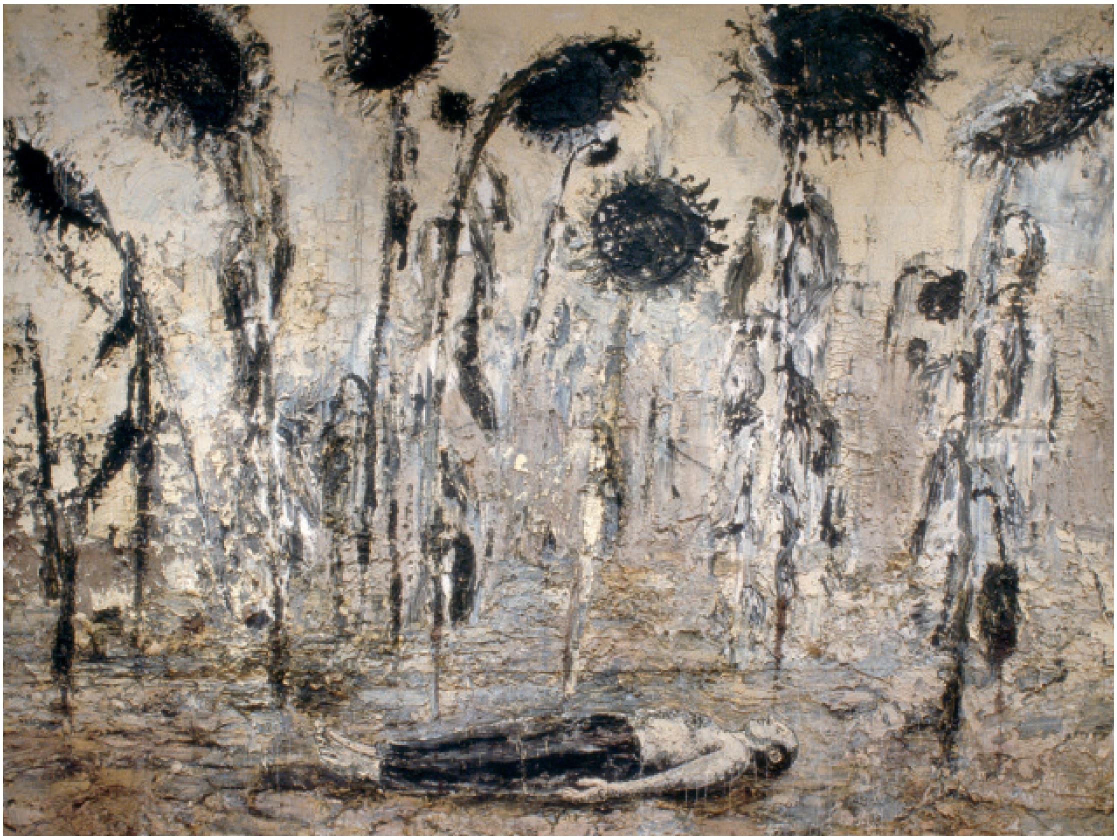
Thirty-five years after World War II, the German artist Anselm Kiefer stormed the international art scene with imagery that evoked the violence and trauma of conflict. Born in Germany in 1945, he grew up under the weight of his country's recent history. His landscapes of sinister forests, photographic self-portraits depicting him doing a Nazi salute and books made from scraps of his own burnt oil paintings hit audiences like a bucket of ice water.

For some time, Kiefer's art was both fresh and weighty for a jaded contemporary milieu. "I have been going to the press views of museum shows for more than thirty years, and I've never seen anything to equal the solemnity of this one," wrote the critic Hilton Kramer after attending the Art Institute of Chicago's 1987 retrospective. And as such, his art was sought out by collectors and museums around the world for decades.

Then, as with a handful of other German artists including Georg Baselitz and Sigmar Polke, Kiefer gradually faded from the zeitgeist. These men "emerged on the international scene in the 1980s," says Janne Sirén, director of the Buffalo AKG Art Museum and president of the board of directors of the Eschaton-Anselm Kiefer Foundation. "But even if we look at institutional collecting practices of the last two decades, it's very, very limited, especially in North America with respect to these artists." (None disappeared from view entirely; over the years, Kiefer has had a steady drip of exhibitions large and small, particularly in Europe.)

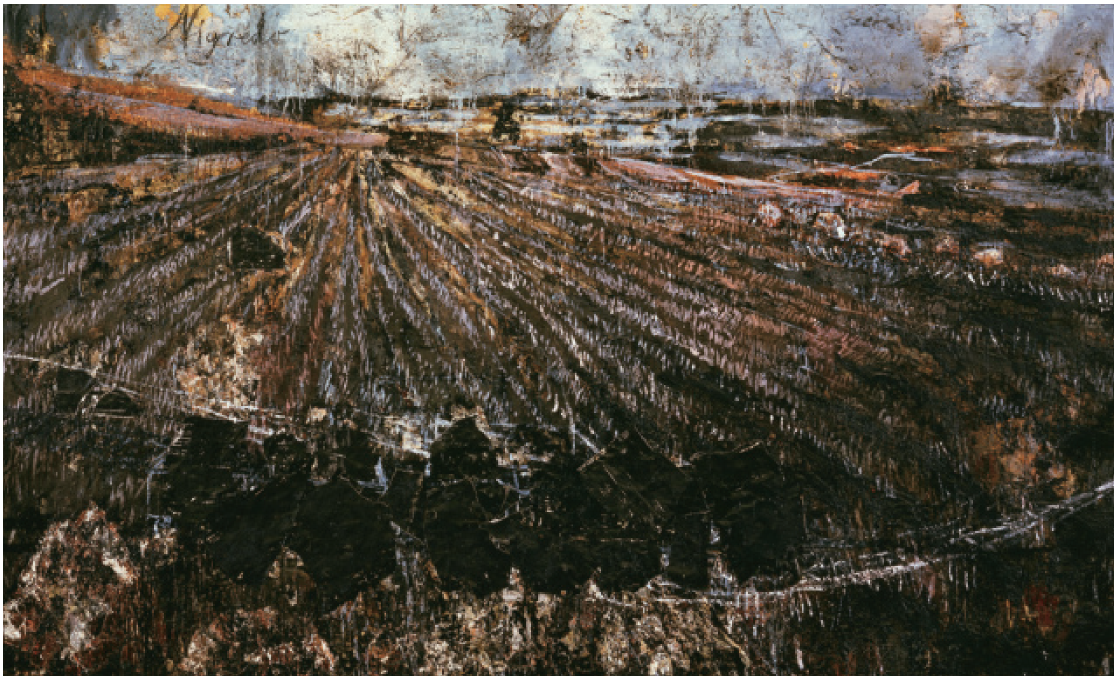
All of a sudden something has changed again, even if Kiefer's preoccupation with humanity's drive to destroy itself hasn't. In just the past four years, major institutions around the world have demonstrated a reignited passion for Kiefer's work. First there was a big show at Paris' Grand Palais Éphémère in 2021, then a 2022 exhibition in Venice deemed by many attendees to be "a Ukraine show," even though the paintings of furrowed, icy ground alongside canvases onto which the artist had stuck paint-spattered clothing had been created before Russia's invasion of Ukraine. (Visitors wept.)

In 2024 the Palazzo Strozzi in Florence put on its own major exhibition; then came a show at Amsterdam's Stedelijk and Van Gogh museums in early 2025, the first time the two institutions had ever collaborated on a single show. Almost simultaneously, Kiefer stocked Kyoto's Nijo Castle with 33 paintings and sculptures in yet another solo event. Now, a sweeping retrospective

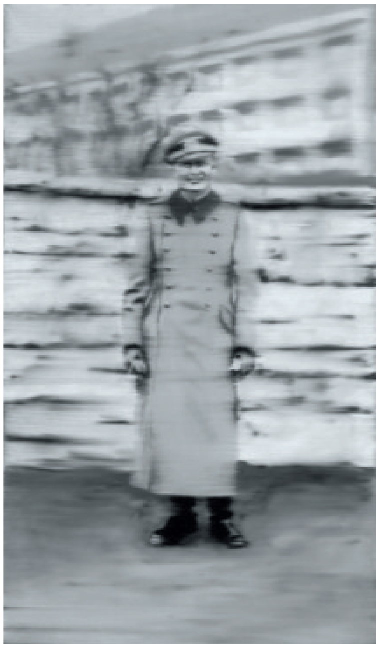


Kiefer's *Die Orden der Nacht* (The Orders of the Night), 1996

■ DIE ORDEN DER NACHT: PAUL MACAPIA/ANSELM KIEFER. NIGREDO: ANSELM KIEFER. ONKEL RUDI: GERHARD RICHTER/COLLECTION FONDATION LOUIS VUITTON, PARIS



Kiefer's *Nigredo*, 1984 (left). Richter's *Onkel Rudi* (Uncle Rudi), 1965



of his artwork at the Saint Louis Art Museum will fill about 30,000 square feet of space ("Anselm Kiefer: Becoming the Sea," Oct. 18 to Jan. 25), the museum's largest exhibition in decades. It's particularly notable, because "so much of his work has not really been shown in American art museums in the last 20 years," says the museum's director, Min Jung Kim, who curated the show.

Explanations for Kiefer's resurgence aren't hard to find. With the first land war in Europe in decades still raging and the Middle East in a near-constant state of conflict, "the reason people are leaning into his works is that there is a historical component that meets the present moment," Sirén says. "And I think in times of uncertainty and calamity and turbulence, history becomes almost like the psychological crutch that society leans on."

The past is a dominant preoccupation in museums right now. The 93-year-old Gerhard Richter—another German artist who grapples with questions of memory, history and conflict—is also getting a massive retrospective. Set to open at the Fondation Louis Vuitton in Paris on Oct. 17, it will feature more than 270 works produced over six decades. Arranged chronologically, the show will include his celebrated *Birkenau* paintings, which wrestle with whether (and how) art can represent the Holocaust.

Richter's work is haunting, subtle and varied, ranging from photorealism to total abstraction. "From time to time he makes a painting that does refer to history," says Nicholas Serota, chairman of Arts Council England, who co-curated the Paris show. "But the extraordinary thing about his work is the way it's evolved. He has an insatiable curiosity for the way in which mark-making on a flat surface can convey different moods, emotions and subjects. The extraordinary thing about the exhibition will be the way in which this slowly unfolds as you walk from room to room." Richter also had a comparatively fallow period of major institutional relevance (though his drought was shorter and far less severe than Kiefer's).

The coincidence of the two massive retrospectives opening in the same season is impossible to ignore. That the Richter opening is "almost to the day when we are opening our Kiefer exhibition in Saint Louis is somewhat uncanny," says Kim, whose museum is known for its large collection of postwar German art and is lending four works to the Richter show. "One of the many key aspects that they deal with is memory and history," she says.

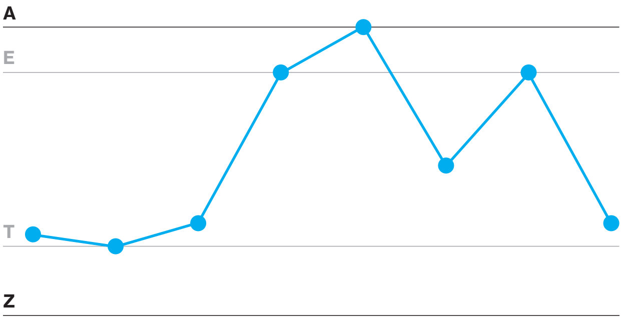
What's clear is that in careers that have spanned more than a half-century, both artists have continued to make work—popular or not—that brings the past into the present. "Kiefer is a contemporary painter who reflects on what is happening in the here and now, but through a deep-rooted historical lens and a deep-rooted understanding of humanity's capacity to wreak havoc and practically self-destruct," Sirén says. "We have come to this point of a shifting of the tectonic plates of global geopolitics. It's no surprise that this moment coincides with a resurgence of interest in artists such as Richter and Kiefer and others who literally made their careers from the ruins of a ruinous war." Ⓑ

Alphadots

● By Jeff Chen

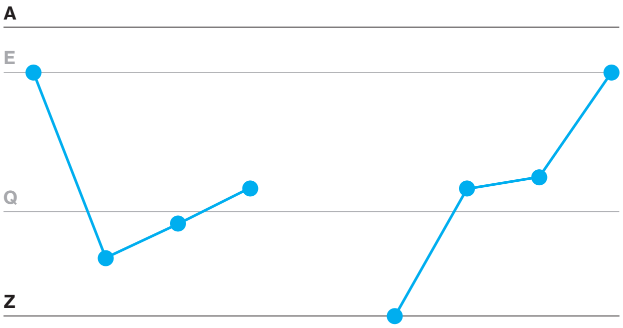
Time for a word puzzle with a plot twist! The charts below are adaptations of Bloomberg's newest game, Alphadots (**bloomberg.com/alphadots**). Each has a hidden word or phrase for you to discover and a wordplay clue that will help you get there. The dots on the charts are different letters, and they'll be closer to the top if they're closer to A. We've done the first puzzle for you as an example. When you think you know the answers, turn to page 6 to see if you're right.

Ex. Twitchy person?



S T R E A M E R

1. Western union?



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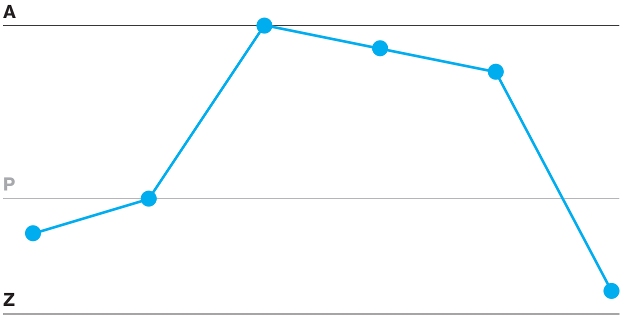
2. Its business is looking up?



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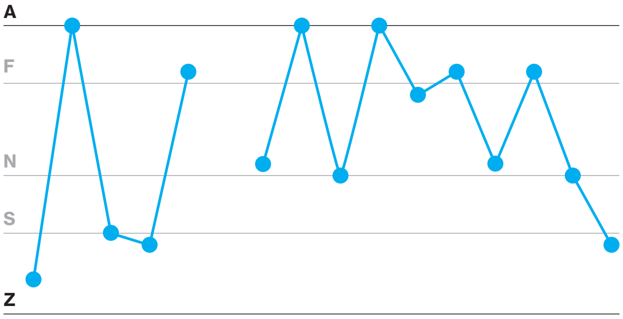
3. Its business is really picking up!



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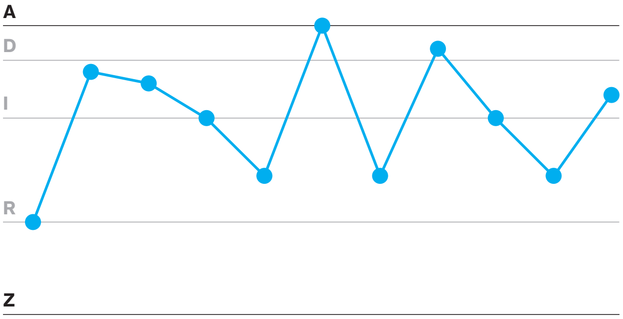
4. Decreasing level of interest?



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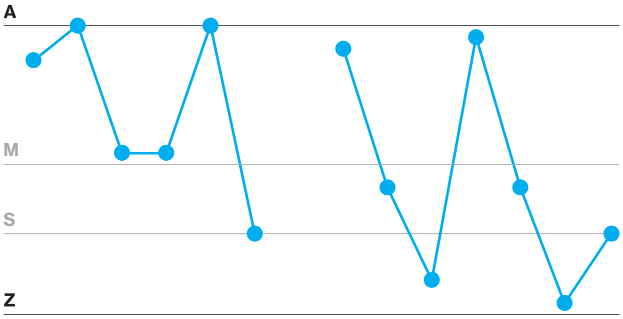
5. Franchise with a giant star?



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THIERRY STERN
PRESIDENT, PATEK PHILIPPE

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